

Relationships Australia (Victoria) Inc.

Financial Statements

For the year ended 30 June 2018

ABN 51 263 215 677

Relationships Australia (Victoria) Inc.

ABN 51 263 215 677

Board Report

as at 30 June 2018

Your Board presents their financial report of Relationships Australia (Victoria) Inc. (RAV) for the financial year ended 30 June 2018.

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)
John Lovell
Kimberly Hunter
Debra Goldfinch
Kaye Frankcom
Michael Hunt (appointed 2 January 2018)
Paul Staindl (appointed 2 January 2018)
Janine Bush (until 9 January 2018)
David Colliver (until 9 January 2018)

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

Principal Activities

The principal activities of Relationships Australia (Victoria) 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 \$738,935 (2017: \$983,022).

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.

Relationships Australia (Victoria) Inc.

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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 concerned with mental health policy and service delivery. She is a Fellow of the Australian Institute of Company Directors (AICD) and the Australian Institute of Management. Lyn has been a Board Member since 1993, was Vice-President from May 2013 and has been President of the RAV Board since October 2014.

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, printing, construction project management and sports industries. He is currently the CFO of the Pacific Group of Companies involved in retail and commercial property investment and management. Peter blends his strong leadership and finance background with strategy and 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.

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, 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.

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Board Report

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 RA lawyers' panel. She joined the Board in 2011.

Ms. Debra Goldfinch

Deb has had an extensive career in the not-for-profit, 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 embraces and succeeds in responding to the challenge of appointing the right people, fostering strong, stable teams, and developing and improving the culture within organisations. Deb has implemented new, innovative programs within the organisations she represents, which continue to thrive and flourish, and positively impact the community. Deb has participated as a member on a number of federal and state committees and boards relevant to the health, community and not-for-profit sectors. In addition to her current role as CEO of Irabina Autism Services, Deb is also on the Board of Early Childhood Intervention Australia at the national and state levels. Her extensive experience and expertise includes risk management and good governance. Deb joined the RAV Board in 2013.

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. Kaye is a well-known mentor and supervisor to early career psychologists. She currently operates a consulting company offering business advice and coaching to psychology practices. She was an appointee to the first Psychology Board of Australia. Her current appointments include Independent Chair of the Expert Advisory Group on Mental Health (North Western Melbourne Primary Health Network). Kaye is also a member of the YMCA Redress Panel, which is responding to the findings and recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse. Kaye chairs the Clinical Governance Committee. She joined the RAV Board in 2016.

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Board Report

Mr Michael Hunt

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

Mr. Paul Staindl

Paul is an accredited lawyer specialising in family law and the Managing Director of Clancy & Triado, with strong knowledge and experience in family law. He has served on many committees in his professional capacity and also on a number of boards in the not-for-profit sector. He has chaired the Executive of the Law Institute Family Law Section and has also served on and chaired the Specialisation Board of the Law Institute for five years. He has published many papers on family law and participated in many seminars to the profession, the community and on radio. Paul served on the RAV Board from 1999 to 2011. He re-joined the Board in 2018 and chairs the Governance Committee.

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	7	7
Peter Gome	7	6
John Lovell	7	7
Kimberly Hunter	7	7
Debra Goldfinch	7	6
Kaye Frankcom	7	5
Michael Hunt	4	4
Paul Staindl	4	3
Janine Bush	3	3
David Colliver	3	2

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.

Relationships Australia (Victoria) Inc.

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Board Report

Proceedings on Behalf of RAV

No person has applied for leave of Court to bring proceedings on behalf of RAV or intervene in any proceedings to which RAV is a party for the purpose taking responsibility on behalf of RAV for all 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 17th day of September 2018

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2	26,003,541	23,241,307
Employee benefits expenses		(19,293,968)	(16,322,064)
Depreciation and amortisation expenses		(21,731)	(33,732)
Occupancy expenses		(2,285,030)	(1,821,907)
Bad debts expenses		(30,337)	(17,946)
Other expenses		(3,633,540)	(4,062,636)
Total Expenses		(25,264,606)	(22,258,285)
Surplus before income tax		738,935	983,022
Income tax expense	1 (e)	-	-
Surplus		738,935	983,022
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of land		3,197,000	-
Other Comprehensive Income		3,197,000	-
Total Comprehensive Income		3,935,935	983,022

Statement of Financial Position

as at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	4a	960,275	523,949
Other financial assets	4b	13,100,972	12,475,972
Trade and other receivables	5	482,603	513,058
Total Current Assets		14,543,850	13,512,979
Non-Current Assets			
Property, plant and equipment	6	6,218,841	3,043,572
Total Non-Current Assets		6,218,841	3,043,572
Total Assets		20,762,691	16,556,551
Current Liabilities			
Trade and other payables	7	2,301,457	2,464,500
Provisions	8	3,445,637	2,918,172
Other current liabilities	9	148,000	291,799
Total Current Liabilities		5,895,094	5,674,471
Non-Current Liabilities			
Provisions	8	798,930	749,348
Total Non-Current Liabilities		798,930	749,348
Total Liabilities		6,694,024	6,423,819
Net Assets		14,068,667	10,132,732
Equity			
Asset revaluation reserves	1(m)	6,582,146	3,385,146
Accumulated surplus		7,486,521	6,747,586
Total Equity		14,068,667	10,132,732

Statement of Changes in Equity

for the year ended 30 June 2018

	Accumulated Surplus \$	Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2016	5,764,564	3,385,146	9,149,710
Profit for the year	983,022	-	983,022
Other comprehensive income	-	-	-
Total comprehensive income	983,022	-	983,022
Balance at 30 June 2017	6,747,586	3,385,146	10,132,732
Balance at 1 July 2017	6,747,586	3,385,146	10,132,732
Profit for the year	738,935	-	738,935
Other comprehensive income	-	3,197,000	3,197,000
Total comprehensive income	738,935	3,197,000	3,935,935
Balance at 30 June 2018	7,486,521	6,582,146	14,068,667

Statement of Cash Flows

for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Grants received		23,781,116	20,156,023
Fees & other receipts		4,265,679	3,817,187
Payments to suppliers and employees		(27,320,638)	(24,232,897)
Net cash provided by / (used in) operating activities	16	726,157	(259,687)
Cash flows from investing activities			
Interest received		335,169	389,345
Redemption of term deposits		(625,000)	(100,000)
Net cash (used in) / provided by investing activities		(289,831)	289,345
Net increase in cash held		436,326	29,658
Cash and cash equivalents at beginning of financial year		523,949	494,291
Cash and cash equivalents at end of financial year	4a	960,275	523,949
Non-cash activities			
Revaluation of land		3,197,000	-
Net non-cash activities		3,197,000	-

Notes to the financial statements

for the year ended 30 June 2018

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 17 September 2018 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 2018

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 2018

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 - 2018 and Staff Certified Agreement 2013 - 2017. An employee is entitled to pro-rata long service leave if they leave the employment of RAV after the completion of seven years continuous service, otherwise leave may be taken in the normal course of employment following completion of 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 2018

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 2018

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.

(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 2018

2. Revenue and other income

	Note	2018	2017
		\$	\$
Operating activities:			
Commonwealth Government Grants		16,627,784	15,773,394
State Government Grants		2,173,718	2,152,129
Other grants		2,961,493	1,459,158
Client fees		2,759,710	2,535,108
Professional training and consulting fees		586,914	486,764
Total revenue from operating activities		25,109,619	22,406,553
Non operating activities:			
Interest income		335,169	389,345
Miscellaneous income		558,753	445,409
Total revenue from non operating activities		893,922	834,754
Total revenue		26,003,541	23,241,307

3. Key management Personnel Compensation

Total compensation	797,051	768,800
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4. (a) Cash and cash equivalents

Cash on hand	12,035	11,435
Cash at bank and bank deposits	948,240	512,514
Total cash and cash equivalents	960,275	523,949

The weighted average interest rate on cash at bank was 0.1% (2017: 0.1%) per annum.

(b) Other financial assets

Bank term deposits greater than 90 days term	13,100,972	12,475,972
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The weighted average interest rate on term deposits was 2.16% (2017: 2.52%) per annum.

Notes to the financial statements

for the year ended 30 June 2018

5. Trade and other receivables

	Note	2018 \$	2017 \$
Current			
Outstanding client fees		160,744	133,258
Provision for doubtful debts	5(a)	(84,448)	(54,112)
GST receivable		(13,944)	54,906
Other receivable		420,251	379,006
Total trade and other receivables		482,603	513,058

(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 there is objective evidence that an individual trade receivable is impaired.

Movement in the provision for doubtful debts is as follows:

Balance at 1 July	(54,112)	(65,842)
Charge for the year	(60,673)	(6,216)
Written off	30,337	17,946
Balance at 30 June	(84,448)	(54,112)

6. Property, plant and equipment

Freehold Land		
At Board valuation 2018	5,801,000	2,664,000
Freehold Building		
At Board valuation 2018	400,000	400,000
Accumulated depreciation	-	(48,000)
	400,000	352,000
Plant and equipment		
At cost	66,469	66,469
Accumulated depreciation	(48,628)	(38,897)
	17,841	27,572
Total property, plant and equipment	6,218,841	3,043,572

Notes to the financial statements

for the year ended 30 June 2018

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

The Board valuation of freehold land and building was based on an independent valuation concluded by Hannah Manson AAPI Certified Practising Valuer of Fitzroy's Pty Ltd on 30 June 2018. The Board adopted a conservative approach in valuing the land and building at 90% of the independent valuation and consistent with existing policy. The directors therefore believe the carrying amount of the land and building correctly reflects the fair value less cost to sell at 30 June 2018.

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 2017	3,016,000	27,572	3,043,572
Additions	-	-	-
Disposals / write-offs	-	-	-
Depreciation and amortisation	(12,000)	(9,731)	(21,731)
Revaluation increase	3,197,000	-	3,197,000
Balance at 30 June 2018	6,201,000	17,841	6,218,841

7. Trade and other payables

	2018	2017
	\$	\$
Trade payables and accruals	1,904,741	2,191,400
Training income received in advance	396,716	273,100
Total trade and other payables	2,301,457	2,464,500

Notes to the financial statements

for the year ended 30 June 2018

8. Provisions

	Note	2018	2017
		\$	\$
Provision for employee benefits:			
Balance at 1 July		3,008,234	2,929,057
Additional provisions		241,434	79,177
Balance as at 30 June		3,249,668	3,008,234
Provision for make good:			
Balance at 1 July		659,286	659,286
Additional provision		335,613	-
Balance as at 30 June		994,899	659,286
Total Provisions		4,244,567	3,667,520
Analysis of Total Provisions			
Current		3,445,637	2,918,172
Non-current		798,930	749,348
Total Provisions		4,244,567	3,667,520

9. Other current liabilities

Current

Unexpended program and project monies	148,000	291,799
Total other liabilities	148,000	291,799

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	493,794	1,023,795
- between 12 months and five years	551,333	790,225
- greater than five years	-	-
Total operating lease commitment	1,045,127	1,814,020
Less GST	(95,012)	(164,911)
Net operating lease commitment	950,115	1,649,109

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 (2017:\$0).

Notes to the financial statements

for the year ended 30 June 2018

11. Contingent liabilities

The Board members are not aware of any contingent liabilities at 30 June 2018 (2017: \$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 2018 and its results for that year.

13. Related parties

There were no transactions between RAV and any related party during the financial year (2017:\$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	2018 \$	2017 \$
Financial Assets			
Cash and cash equivalents	4(a)	960,275	523,949
Other financial assets - bank term deposits	4(b)	13,100,972	12,475,972
Trade and other receivables	14(i)	165,709	142,047
Total financial assets		14,226,956	13,141,968
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	14(ii)	652,663	646,417
Total financial liabilities		652,663	646,417

Notes to the financial statements

for the year ended 30 June 2018

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	2018	2017
		\$	\$
Pledged as security for leased premises:			
Bank guarantee included in cash and cash equivalents		225,972	225,972
Security bonds included in trade and other receivables		54,818	46,984
		280,790	272,956

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)	5,801,000	2,664,000
Freehold building	6,15 (i)	400,000	352,000
		6,201,000	3,016,000

The Board valuation of freehold land and building was based on an independent valuation concluded by Hannah Manson AAPI Certified Practising Valuer of Fitzroy's Pty Ltd on 30 June 2018. The Board adopted a conservative approach in valuing the land and building at 90% of the independent valuation and consistent with existing policy. The directors therefore believe the carrying amount of the land and building correctly reflects the fair value less cost to sell at 30 June 2018.

Notes to the financial statements

for the year ended 30 June 2018

16. Cash flow reconciliation

Reconciliation of cash flow from operations with surplus:

Surplus	738,935	983,022
<u>Non-cash flows in profit:</u>		
Depreciation and amortisation expenses	21,731	33,732
Interest income	(335,169)	(389,345)
<u>Changes in assets and liabilities:</u>		
Decrease / (increase) in trade and other receivables	30,455	(58,874)
(Decrease) / increase in trade and other payables	(163,043)	153,625
Increase in provisions	577,047	79,177
Decrease in other current liabilities	(143,799)	(1,061,024)
Net cash provided by / (used in) operating activities	726,157	(259,687)

17. 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 2018 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
President



Peter Gome
Vice President

Signed in Camberwell this 17th day of September 2018

Independent Auditor's Report

To the Members of the Relationships Australia (Victoria) Inc.

Report on the audit of the financial report

Opinion

We have audited the financial report of the Relationships Australia (Victoria) Inc. (the "Association"), which comprises the statement of financial position as at 30 June 2018, 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 the Relationships Australia (Victoria) Inc. 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 Association's financial position as at 30 June 2018 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 Association 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

Those charged with governance are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

The Directors are responsible for overseeing the Association'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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Registered Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 17 September 2018