Relationships Australia (Victoria) Limited

ABN 51 263 215 677

Financial Statements - 30 June 2020

Relationships Australia (Victoria) Limited
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2020.

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
Kimberly Hunter
Michael Hunt
Paul Staindl
Ronda Jacobs
Michael Shaw

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 CEO and 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.

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 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 over her 30+ year career. Kaye is a well-known mentor and supervisor to early career psychologists. She currently operates a consulting company offering business advice and coaching to psychology practices. She was an appointee to the first Psychology Board of Australia. Her current appointments include Independent Chair of the Expert Advisory Group on Mental Health (North Western Melbourne Primary Health Network), NED on the Osteopathy Australia Board. Kaye chairs the Clinical Governance Committee. She joined the Relationships Australia (Victoria) Limited Board in 2016.

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

Name:	Ms Ronda Jacobs
Title:	Director
Experience and expertise:	Ronda is CEO of Nillumbik Community Health Services a leading NFP community health organisation improving the health and well-being of the community. Previously, she has held the roles of Managing Director Australia and South East Asia for Catalent Pharma Solutions, as well as General Manager Australia and South East Asia, and Director Business Development for Cardinal Health (Catalent). Ronda has broad strategic, leadership, marketing, and financial credentials and a strong background in Board governance and compliance. She is passionately committed to improving the health and wellbeing of Australian families, with a reputation as an energetic, innovative and strategic thinker in both the private and not-for-profit sectors. She has considerable Board experience, including with the Family Access Network, Greater Metropolitan Cemeteries Trust, TRY Australia, the Regulatory Policy Committee of the Australian Self Medication Industry, and Chair of Inner East Primary Care Partnership. Ronda is a graduate of AICD and a member of the Relationships Australia (Victoria) Limited Board from 2005 to 2013. She re-joined the Board in 2018.
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 BlueMount Capital Group, and Executive Chairman of BlueMount Capital (Beijing) Co, Ltd. BlueMount Capital is the leading mid-tier investment banking and corporate advisory firm in Australia. Michael has extensive knowledge of both the commercial and not-for-profit sectors. He specialises in assisting mid-tier, growth-oriented private businesses to move through all phases of their life cycle, including creation, growth, transitioning, and exit. He is highly experienced across several industry sectors and also in cross border transactions including mergers and acquisitions, international public offerings, divestments, and private capital placements. Michael has 30 years' Board experience with 10 organisations, including serving as a member of a key Australian Psychological Society Board Committee for 19 years, of the Relationships Australia National Board for 10 years including as President for four years, and as Executive Chair of Australia's leading healthcare and pharmaceutical recruitment, contract sales and marketing firms. Michael was a member of the RAV Board from 1990 until 2015, before re-joining the Relationships Australia (Victoria) Limited Board in 2018.

Name:	Mr Paul Staindl
Title:	Director
Experience and expertise:	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 on the profession, the community, and on radio. Paul chairs the Governance Committee. He joined the Relationships Australia (Victoria) Limited Board in 2018.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Lyn Littlefield	8	8
Kaye Frankcom	7	8
John Lovell	7	8
Kimberly Hunter	8	8
Michael Hunt	8	8
Paul Staindl	7	8
Ronda Jacobs	7	8
Michael Shaw	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

Lyn Littlefield
President

Michael Shaw
Director

6 October 2020
Camberwell

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

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

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 2020, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 6 October 2020

Relationships Australia (Victoria) Limited
Contents
30 June 2020

Relationships Australia (Victoria) Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue	4	29,597,174	28,310,532
Interest revenue calculated using the effective interest method		327,749	364,408
Expenses			
Employee benefits expense		(21,662,143)	(20,665,702)
Depreciation and amortisation expense		(1,353,576)	(156,001)
Occupancy expense		(872,380)	(2,159,487)
Bad debts expense		(56,908)	(41,139)
Other expenses		(5,060,193)	(4,867,528)
Finance costs		(190,113)	-
Surplus before income tax expense		729,610	785,083
Income tax expense	2	-	-
Surplus after income tax expense for the year attributable to the members of Relationships Australia (Victoria) Limited	15	729,610	785,083
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Relationships Australia (Victoria) Limited		729,610	785,083

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

Relationships Australia (Victoria) Limited
Statement of financial position
As at 30 June 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	5	770,357	611,322
Other financial assets	6	17,325,972	15,050,972
Trade and other receivables	7	1,107,694	736,230
Total current assets		19,204,023	16,398,524
Non-current assets			
Property, plant and equipment	8	6,161,727	6,169,109
Right-of-use assets	9	3,719,408	-
Total non-current assets		9,881,135	6,169,109
Total assets		29,085,158	22,567,633
Liabilities			
Current liabilities			
Trade and other payables	10	2,978,748	2,394,099
Lease liabilities	11	1,261,800	-
Provisions	12	4,292,278	3,965,355
Other liabilities	13	1,313,229	516,994
Total current liabilities		9,846,055	6,876,448
Non-current liabilities			
Lease liabilities	11	2,598,850	-
Provisions	12	1,056,893	837,435
Total non-current liabilities		3,655,743	837,435
Total liabilities		13,501,798	7,713,883
Net assets		15,583,360	14,853,750
Equity			
Reserves	14	6,582,146	6,582,146
Accumulated surpluses	15	9,001,214	8,271,604
Total equity		15,583,360	14,853,750

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

Relationships Australia (Victoria) Limited
Statement of changes in equity
For the year ended 30 June 2020

	Reserves $	Accumulated surplus $	Total equity $
Balance at 1 July 2018	6,582,146	7,486,521	14,068,667
Surplus after income tax expense for the year	-	785,083	785,083
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	785,083	785,083
Balance at 30 June 2019	6,582,146	8,271,604	14,853,750

	Reserves $	Accumulated surplus $	Total equity $
Balance at 1 July 2019	6,582,146	8,271,604	14,853,750
Surplus after income tax expense for the year	-	729,610	729,610
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	729,610	729,610
Balance at 30 June 2020	6,582,146	9,001,214	15,583,360

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

Relationships Australia (Victoria) Limited
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Government and other grants received (inclusive of GST)		29,789,909	27,167,408
Receipts from clients and others (inclusive of GST)		3,501,493	3,919,502
Payments to suppliers and employees (inclusive of GST)		(29,740,477)	(29,744,002)
		3,550,925	1,342,908
Interest and other finance costs paid		(190,113)	-
Net cash from operating activities		3,360,812	1,342,908
Cash flows from investing activities			
Payments for investments in term deposits		(2,275,000)	(1,950,000)
Payments for property, plant and equipment	8	(55,909)	(106,269)
Proceeds from disposal of property, plant and equipment		17,727	-
Interest received		327,749	364,408
Net cash used in investing activities		(1,985,433)	(1,691,861)
Cash flows from financing activities			
Repayment of lease liabilities		(1,216,344)	-
Net cash used in financing activities		(1,216,344)	-
Net increase/(decrease) in cash and cash equivalents		159,035	(348,953)
Cash and cash equivalents at the beginning of the financial year		611,322	960,275
Cash and cash equivalents at the end of the financial year	5	770,357	611,322

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 30 September 2020.

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:

AASB 15 Revenue from Contracts with Customers
The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of AASB 15 did not have a material impact on the company's statement of profit or loss and other comprehensive income, statement of financial position or statement of cash flows for the period ending 30 June 2020.

AASB 16 Leases
The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The company has adopted AASB 16 retrospectively from 1 July 2019, but has not restated comparative for the 30 June 2019 reporting period. The reclassifications and the adjustments arising from the new leasing rules are recognised in the opening balance sheet on 1 July 2019. The new accounting policies for right-of-use assets and lease liabilities are disclosed within the below accounting policies.

Note 2. Significant accounting policies (continued)

On adoption of AASB 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.20%.

In applying AASB 16 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review. There were no onerous contracts as at 1 July 2019;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying AASB 117 and Interpretation 4 Determining whether an Arrangement contains a Lease.

Measurement of liabilities on transition:	
Operating lease commitments at 30 June 2019 (net of GST)	3,103,981
Less: adjustments for discounting using lessee's incremental borrowing rate at the date of initial application	(167,313)
Add: adjustments for changes in lease term	1,623,371
Add: adjustments for changes in indexation increases	353,846
Add: adjustments for month-to-month and informal leases	163,109
Opening lease liability as at 1 July 2019	5,076,994
Consisting of:	
Current liability	1,216,344
Non-current liability	3,860,650
Opening lease liability as at 1 July 2019	5,076,994

AASB 1058 Income of Not-for-Profit Entities
The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. 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. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The adoption of AASB 1058 did not have a material impact on the company's statement of profit or loss and other comprehensive income, statement of financial position or statement of cash flows for the period ending 30 June 2020.

Note 2. Significant accounting policies (continued)

Going concern
In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies and, as such, the company is unable to determine if it will have a material impact to its operations.

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.

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers (applicable for the current period commencing 1 July 2019)
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.

The adoption of AASB 15 did not have a material impact on the recognition of client fee revenue for the period ending 30 June 2020.

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.

Note 2. Significant accounting policies (continued)

The adoption of AASB 15 and AASB 1058 did not have a material impact on the recognition of grant revenue for the period ending 30 June 2020.

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.

Note 2. Significant accounting policies (continued)

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.

Note 2. Significant accounting policies (continued)

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 - 2018 and Staff Certified Agreement 2013 - 2017. 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.

Note 2. Significant accounting policies (continued)

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.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the services offered, clients, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets
The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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

	2020 $	2019 $
Operating activities:		
Commonwealth government grants	19,114,285	17,215,664
State government grants	3,818,362	3,490,807
Other grants	3,352,853	3,916,008
Client fees	2,305,604	2,520,152
Professional training and consulting fees	512,709	640,354
	29,103,813	27,782,985
Non-operating activities		
Other revenue	493,361	527,547
Revenue	29,597,174	28,310,532

Note 5. Cash and cash equivalents

	2020 $	2019 $
Current assets		
Cash on hand	12,415	12,415
Cash at bank and short-term bank deposits	757,942	598,907
	770,357	611,322

The weighted average interest rate on cash at bank was 0.05% (2019: 0.1%) per annum.

Note 6. Other financial assets

	2020 $	2019 $
Current assets		
Cash on deposit	17,325,972	15,050,972

Includes bank deposits with terms greater than 90 days. The weighted average interest rate on cash at bank was 1.26% (2019: 1.92%) per annum.

Note 7. Trade and other receivables

	2020 $	2019 $
Current assets		
Client fees outstanding	324,271	205,390
Less: Allowance for expected credit losses	(102,272)	(45,364)
	221,999	160,026
Other receivables	885,695	576,204
	1,107,694	736,230

Note 7. Trade and other receivables (continued)

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.

	2020 $	2019 $
Movement in the allowance for expected credit losses is as follows:		
Carrying amount at the start of the year	(45,364)	(84,448)
Additional provisions recognised	(113,816)	(2,055)
Amounts written off	56,908	41,139
Carrying amount at the end of the year	(102,272)	(45,364)

Note 8. Property, plant and equipment

	2020 $	2019 $
Non-current assets		
Freehold land - at directors valuation	5,801,000	5,801,000
Freehold building - at directors valuation	400,000	400,000
Less: Accumulated depreciation	(84,000)	(40,000)
	316,000	360,000
Leasehold improvements - at cost	106,269	106,269
Less: Accumulated depreciation	(106,269)	(106,269)
	-	-
Plant and equipment - at cost	73,721	66,469
Less: Accumulated depreciation	(28,994)	(58,360)
	44,727	8,109
	6,161,727	6,169,109

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 2019	5,801,000	360,000	-	8,109	6,169,109
Additions	-	-	-	55,909	55,909
Disposals	-	-	-	(8,109)	(8,109)
Depreciation expense	-	(44,000)	-	(11,182)	(55,182)
Balance at 30 June 2020	5,801,000	316,000	-	44,727	6,161,727

Valuations of land and buildings
The directors' valuation of freehold land and buildings was based on an independent valuation concluded by Hannah Manson AAPI Certified Practising Valuer of Fitzroy's Pty Ltd in the 2018 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 carrying amount of the land and building has not materially changed since the valuation in 2018 and that the value reflects the fair value less cost to sell at 30 June 2020.

Note 9. Right-of-use assets

	2020 $	2019 $
Non-current assets		
Land and buildings - right-of-use	5,017,802	-
Less: Accumulated depreciation	(1,298,394)	-
	3,719,408	-

Note 10. Trade and other payables

	2020 $	2019 $
Current liabilities		
Trade payables and accruals	2,882,105	2,323,905
GST payable	96,643	70,194
	2,978,748	2,394,099

Note 11. Lease liabilities

	2020 $	2019 $
Current liabilities		
Lease liability	1,261,800	-
Non-current liabilities		
Lease liability	2,598,850	-
	3,860,650	-

Note 12. Provisions

	2020 $	2019 $
Current liabilities		
Employee benefits	3,185,323	2,858,400
Lease make good	1,106,955	1,106,955
	4,292,278	3,965,355
Non-current liabilities		
Employee benefits	1,056,893	837,435
	5,349,171	4,802,790

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 13. Other liabilities

	2020 $	2019 $
Current liabilities		
Unexpended program and project revenue	785,766	223,165
Revenue received in advance	527,463	293,829
	1,313,229	516,994

Note 14. Reserves

	2020 $	2019 $
Revaluation surplus reserve	6,582,146	6,582,146

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. Accumulated surpluses

	2020 $	2019 $
Accumulated surpluses at the beginning of the financial year	8,271,604	7,486,521
Surplus after income tax expense for the year	729,610	785,083
Accumulated surpluses at the end of the financial year	9,001,214	8,271,604

Note 16. 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.

	2020 $	2019 $
Cash and cash equivalents	770,357	611,322
Other financial assets	17,325,972	15,050,972
Trade and other receivables	513,943	256,637
Total financial assets	18,610,272	15,918,931

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.

Note 16. Financial instruments (continued)

	2020 $	2019 $
Trade and other payables	1,220,265	1,432,989

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

	2020 $	2019 $
Pledged as security for leased premises:		
Bank guarantee included in other financial assets	225,972	225,972
Security bonds included in trade and other receivables	78,785	67,923
	304,757	293,895

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

Note 17. 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

2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Freehold land	-	5,801,000	-	5,801,000
Freehold building	-	360,000	-	360,000
Total assets	-	6,161,000	-	6,161,000

2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Freehold land	-	5,801,000	-	5,801,000
Freehold building	-	360,000	-	360,000
Total assets	-	6,161,000	-	6,161,000

The directors valuation of freehold land and building was based on an independent valuation concluded by Hannah Manson AAPI Certified Practising Valuer of Fitzroy's Pty Ltd in the 2018 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 carrying amount of the land and building has not materially changed since the valuation in the prior period and that the value reflects the fair value less cost to sell at 30 June 2020.

There were no transfers between levels during the financial year.

Note 18. 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:

	2020 $	2019 $
Aggregate compensation	714,258	835,583

Note 19. Contingent liabilities

The company had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 20. Commitments

	2020 $	2019 $
Lease commitments - operating		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	1,214,157
One to five years	-	2,134,760
More than five years	-	125,961
	-	3,474,878
Less: GST	-	(370,898)
Net commitment recognised as liabilities	-	3,103,980

Relationships Australia (Victoria) Limited's leases premises on various lease terms. These leases are non-cancellable leases for the term of the lease, between three (3) and six (6) years. Increase in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

Refer to note 2 'Significant accounting policies' for transition of lease commitments to liabilities on adoption of AASB 16: Leases at 1 July 2019.

Capital expenditure commitments
There are no capital commitments at reporting date (2019: $nil).

Note 21. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 18.

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 22. 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 23. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing, and whilst there does not currently appear to be any significant impact upon the financial statements up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 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.

Relationships Australia (Victoria) Limited
Directors' declaration
30 June 2020

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 2020 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
President

Michael Shaw
Director

6 October 2020
Camberwell

Grant Thornton

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 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) 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 2020, 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 2020 and of its performance and cash flows for the year then ended; and

b complies with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, 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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 6 October 2020