

**Relationships Australia (NSW) Limited**

**Annual Financial Report 2016**

For the year ended 30 June 2016

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Relationships Australia (NSW) Limited  
Annual Financial Report for the financial year ended 30 June 2016  
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## Directors' Report

30 June 2016

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The Directors present their report together with the financial report of Relationships Australia (NSW) Limited (the Company) for the year ended 30 June 2016 and the auditor's report thereon.

### The Board of Directors

The Directors of the Company at any time during or since the end of the financial year are:

#### **Christopher Bertinshaw, MComm, BBus, Dip.Th, FAICD**

Mr Bertinshaw is the Chair of Relationships Australia (NSW) Limited and a member of the Finance, Audit & Risk Committee and the Governance, Remuneration & Nominations Committee.

Mr Bertinshaw has been a member of the Board of Directors since July 2013 and Chair since 20 February 2014.

Mr Bertinshaw is the CEO of Australasian Spinal Cord Injury Network Ltd and principal of Corporate Governance Systems. He consults with a wide range of national and international organisations. He has extensive board and senior management experience, including CEO of five organisations, in social services, education, IT and health.

#### **Steve Rust, BSc (Hons), Grad Dip Comp Studies, GAICD**

Mr Rust has been a member of the Board of Directors since May 2014.

Mr Rust is a member of the Governance, Remuneration & Nominations Committee.

Mr Rust has extensive experience in senior management positions in the private sector, including 12 years as Managing Director and Vice President in the Australian subsidiaries of global technology companies in the IT, telecommunications and consumer electronics industries. He has also served as Chair of the Audit, Governance and Risk Committee in a member based technology recycling management company. His professional interests include leveraging technology platforms to support business growth, improve service delivery and manage risk.

#### **Margaret Scott, MEd (Health), GAICD**

Ms Scott has been a member of the Board of Directors since February 2008.

Ms Scott has over 20 years of experience in public health program management, policy and strategic development in public and community sectors and as an independent consultant. She is passionate about social justice and human rights and has worked with numerous Aboriginal and Torres Strait individuals and organisations over many years. She is a graduate of the Sydney Leadership Program and currently works as an independent consultant in the human services area.

#### **Kerrie Bigsworth, PhD, MBA, BSc (Arch), GAICD**

Ms Bigsworth has been a member of the Board of Directors since April 2010.

Ms Bigsworth is a member of the Finance, Audit & Risk Committee.

Ms Bigsworth has over 20 years of experience in public sector policy and planning for human services and considerable experience in the economics of property, ranging from commercial project feasibility studies to negotiating government funding for public housing. She has particular interest in strategic planning for service delivery to disadvantaged communities.

## Directors' Report (continued)

### **Merilyn Sleigh, BSc (Hons), PhD, Dip Corp Man, FAICD**

Ms Sleigh has been a member of the Board of Directors since June 2011.

Ms Sleigh has extensive experience in senior management positions in the public and private sectors, including 6 years as CEO of an ASX – listed biotechnology company. She is currently a non-executive director on several boards spanning health, agriculture and food industries.

### **Andrea Christie-David, M Int Law, Grad Cert Legal Practice, LLB, BA (Linguistics), Cert IV Training & Assessment, GAICD**

Ms Christie-David has been a member of the Board of Directors since June 2015.

Andrea Christie-David is a member of the Governance, Remuneration & Nominations Committee.

Andrea is a Partner of Salvos Legal, delivering pro bono legal services to disadvantaged members of the community in family, criminal, immigration, and administrative law matters. Having started her legal career at Clayton Utz, Andrea left her career in corporate law behind to pursue her passions in the community sector.

Andrea completed a Master of International Law at the University of Sydney, during which time she undertook an internship at the United Nations Headquarters in New York. She was awarded a scholarship to complete a Graduate Certificate in Not for Profit Management, and has volunteered her time as a member of various committees, including the Law Society's Human Rights Committee, the Salvation Army's Women in Leadership Committee, and on the Management Committee of an NGO.

### **Peter Ricketts, B Comm., MBA, FGIA, CA, CFTP (Snr), FAICD**

Mr Ricketts has been a member of the Board of Directors since June 2015.

Peter is the Chair of the Finance, Audit & Risk Committee.

Peter has had wide ranging senior leadership experience in global corporate financial management across a range of different industries and varying sized corporate environments, mainly multinational and multi-jurisdictional and predominately within cost and margin constrained industries. His professional focus has included whole of business risk assessments in several environments and contexts, change management, cost minimisation and restructuring, funding, corporate governance and merger and acquisitions.

In addition to being a facilitator with the AICD, Peter consults to organisations, provides executive coaching services, volunteers in aged care and is a non-executive director of a board in the health sector.

### **Laura Raymer, BBus, CA, FAICD**

Ms Raymer was the Vice Chair of Relationships Australia (NSW) Limited and a member of the Finance & Risk Committee until she resigned from the Board of Directors on 20 February 2016.

Ms Raymer has been a member of the Board of Directors since April 2009.

Ms Raymer has over 20 years of experience as a Chartered Accountant in public practice and in corporate positions. She has a particular interest in corporate restructuring, strategy development and financial management.

### **Louise Fitt, BComm, LLB, LLM, GAICD, MAHRI**

Ms Fitt was a member of the Finance & Risk Committee until she retired from the Board of Directors on 19 November 2015.

## Directors' Report (continued)

Ms Fitt has been a member of the Board of Directors since February 2007.

Ms Fitt has over 30 years of experience in general management and human resources across professional services, telecommunications, construction and mining and finance, both in Australia and abroad. She has a particular interest in corporate governance, strategy development and change management.

### Company Secretary

The Company Secretaries at the end of the financial year were:

#### Frank Francis, BA (Hons), FCA

Mr Francis has been employed by Relationships Australia (NSW) Limited since 2011 when he was also appointed as Company Secretary to the Board and all Board Committees. Mr Francis is also the Chief Executive Officer.

#### Gillian Lawrence, BA (Hons), MBA, FCA, GAICD

Ms Lawrence has been employed by Relationships Australia (NSW) Limited since 2011 when she was also appointed as Company Secretary to the Board and all Board Committees. Ms Lawrence is also the Chief Financial Officer.

### The Board of Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

Board Members	Board of Director's Meetings		Finance, Audit & Risk Committee Meetings		Governance, Remuneration & Nominations Committee Meetings	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Mr C Bertinshaw	10	10	7	5	2	2
Ms L Raymer	6	6	-	-	-	-
Ms L Fitt	4	4	-	-	-	-
Ms M Scott	10	8	-	-	1	1
Ms K Bigsworth	10	7	7	5	1	1
Ms M Sleigh	10	9	-	-	1	1
Mr S Rust	10	9	-	-	1	1
Mr P Ricketts	10	10	7	7	-	-
Ms A Christie-David	10	8	-	-	1	1

Ms Louise Fitt retired from the Board of Directors on 19 November 2015. Ms Laura Raymer resigned from the Board of Directors on 20 February 2016.

### Board Committees

The agendas for Committee meetings are prepared in conjunction with the Chairs of the relevant Committees. Papers and submissions are distributed to the Committee members in advance and each committee has members of management in attendance as appropriate.

The purpose and function of these Board Committees are described below.

## Directors' Report (continued)

### Finance, Audit & Risk Committee

The Finance, Audit & Risk Committee assists the Board in discharging its responsibilities in relation to financial management, monitoring and controlling risk, internal control systems and reporting financial information.

The Committee also provides a forum for communication between the Board, the senior financial staff and the external auditors.

### Governance, Remuneration & Nominations Committee

The Governance Committee assists the Board in fulfilling its governance responsibilities for matters of succession planning and appointments to the Board, Director Induction, Board performance assessment and reviewing and recommending board policy.

### Working Parties

A number of Working Parties were formed during the year to assist the Board with scenario planning and the development of the 2016-2020 Strategic Plan which was approved in June 2016 as well as explore the establishment of a social enterprise.

## Governance and membership

The Company is a company limited by guarantee governed by the Directors who are elected by the members in a general meeting. Any member of the Company is eligible to be elected to the Board, if correctly nominated. The Constitution limits the number of Directors to a minimum of three and a maximum of eleven who may serve on the Board for a maximum of nine years, being three 3-year terms.

Resolution requirements for general meetings are in accordance with the Corporations Act 2001.

The number of members as at 30 June 2016 and the comparison with last year is as follows:

	2016	2015
Total members	19	24

## Vision, Purpose and Strategic Goals

The vision of Relationships Australia (NSW) Limited is of a harmonious and inclusive society, which promotes and supports respectful and resilient relationships for families and their communities.

### Relationships Australia (NSW) Limited's Purpose

Our purpose is to enhance relationships for individuals, couples, families, and their communities in order to foster personal and societal wellbeing.

Our work enables people to make positive choices with regard to their family relationships and life situations, to strengthen connections within their families and communities, and to manage conflict and change.

The 2016-2020 Strategic Plan articulates the following three strategic goals:

### Strategic Goals 2016 – 2020

#### Strategic Goal 1 – Client Focus

We will ensure that our clients continue to receive judgement-free and tailored services that will be evidence-based, effective, and outcomes focused.

## Directors' Report (continued)

### **Strategic Goal 2 – People**

Our people will be skilled, engaged, innovative, and client focussed in delivering high quality services.

### **Strategic Goal 3 – Sustainability**

We will broaden alternative funding streams to ensure our organisation's long term sustainability.

These strategic goals underpin our services and activities.

## Principal activities

During 2015-16, in accordance with our Vision and Purpose, services relating to more than 39 different programs were undertaken across New South Wales. These services include those relating to couple and family counselling, mediation and therapy services to adolescents and parents, professional training, relationships education programs and teaching parenting skills and helping disadvantaged families. Over 56,021 sessions and events were provided by our dedicated staff of 399 employees to approximately 26,521 clients.

We received funding in excess of \$25m from various government sources including Australian Government Department of Social Services; Attorney-General's Department; NSW Department of Family and Community Services; NSW Ministry of Health, NSW Kids and Families; and NSW Department of Juvenile Justice, Attorney General and Justice.

There were no significant changes in the nature of the activities of the Company during the year.

## Operating and financial review

The total comprehensive income of the Company for the financial year was \$427,781 (2015: \$1,069,239).

## Performance measurement

Relationships Australia (NSW) Limited continues to demonstrate full compliance with the accreditation standards for the Commonwealth Family Support Program. Industry accreditation standards, which cover a range of governance factors, including clinical governance, are also used to assess and ensure the quality of service provision and to monitor performance regarding HR/employment issues.

The Board and Management monitor compliance with accreditation requirements, financial performance and service activity levels ensuring that the level of contracted service delivery is achieved within budget and in accordance with service contracts and legal requirements.

Client feedback (on process and outcomes of services) and program evaluation data are used to inform the management of teams and individual staff. A range of effectiveness and efficiency key performance indicators relevant to each program are also monitored. This information, in addition to special research projects, informs the review and improvement of service design.

A range of metrics has been introduced by the Company to assess the effectiveness of its products and services over both shorter and longer timeframes.

## State of affairs

In the opinion of the Directors there were no significant changes to the state of affairs of the Company during the financial year that are not otherwise disclosed in this report or the financial statements.

## Directors' Report (continued)

### Liability of members on winding up

Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up during the time he or she is a member or within a year thereafter. This liability extends to the payment of debts and liabilities contracted before ceasing to be a member. Such liability is limited to \$20. As at 30 June 2016 there were 19 members (2015: 24).

### Subsequent events

Other than the completion of the sale of 5 Sera Street, Lane Cove on 29 August 2016, which was disclosed under Assets held for sale at 30 June 2016, the Directors are of the opinion that there has been no other item, transaction or event of a material or unusual nature likely to significantly affect the operations of the Company, or its state of affairs in future financial years, between the end of the financial year and the date of this report.

### Environmental issues

Relationships Australia (NSW) Limited's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### Dividends

The Company is a non-profit making organisation and is prevented by its Constitution from paying dividends.

### Likely developments

The Directors do not believe it likely that there will be any material changes in the operations of the Company for the next twelve months, however, a wholly owned company limited by shares, RASE Pty Limited, was set-up in 2016 to explore the possibility of establishing a social enterprise.

### Directors' benefits

Since the end of the previous financial year no Director of the Company has received or become entitled to receive any benefit.

### Indemnification of officers or auditors

The Company has paid premiums in respect of directors' and officers' liability insurance contracts. This insures directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out their conduct while acting in the capacity as a director or officer of the Company, other than conduct involving a willful misuse of duty.

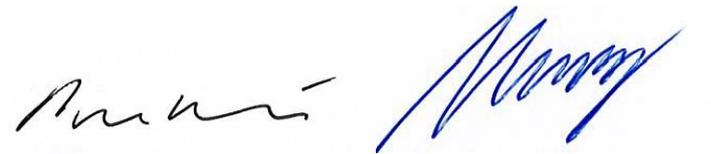
The Directors have not included details of the nature of the liabilities covered nor the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

### Auditor's independence declaration

The auditor's declaration of independence is set out on page 30 and forms part of the Directors' Report for the year ended 30 June 2016.

Signed in accordance with a resolution of the Directors:

On behalf of the Directors:

The image shows two handwritten signatures in blue ink. The signature on the left is 'Peter Ricketts' and the signature on the right is 'Steve Rust'. Both signatures are written in a cursive, flowing style.

**Peter Ricketts**  
Director  
Sydney, 20 October 2016

**Steve Rust**  
Director  
Sydney, 20 October 2016

## Directors' Declaration

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In the opinion of the directors of Relationships Australia (NSW) Limited (the Company):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes, set out on pages 10 to 29, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) 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:



**Peter Ricketts**  
Director  
Sydney, 20 October 2016



**Steve Rust**  
Director  
Sydney, 20 October 2016

# Declaration by Chief Executive Officer in Respect of Fundraising Appeals

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## Declaration by Chief Executive Officer in respect of fundraising appeals pursuant to Authority Condition 7(4) of the Charitable Fundraising Act (NSW) 1991 and Regulations

I, Frank Francis, Chief Executive Officer of Relationships Australia (NSW) Limited (“the Company”), declare that in my opinion:

- (a) the statement of comprehensive income is drawn up so as to give a true and fair view of income and expenditure of the Company for the year ended 30 June 2016 with respect to fundraising appeals;
- (b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the year ended 30 June 2016 with respect to fundraising appeals;
- (c) the provisions of the Charitable Fundraising Act (NSW) 1991 and the regulations under the Act and conditions attached to the authority holder have been complied with for the year ended 30 June 2016; and
- (d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of the fundraising appeals.



**Frank Francis**  
Chief Executive Officer  
Sydney, 20 October 2016

## Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Revenue and Other Income</b>	4	<b>28,937,093</b>	<b>29,241,018</b>
<b>Expenditure</b>			
Personnel expenses	5	(23,386,282)	(23,377,868)
Rental and other property related costs		(2,800,232)	(2,741,326)
Depreciation and amortisation		(1,158,023)	(687,906)
Telecommunications and postage		(467,985)	(481,243)
Brokerage		(589,047)	(490,580)
Advertising and promotions		(233,308)	(149,847)
National levy and affiliation costs		(290,459)	(242,590)
Other expenses		(1,125,647)	(1,065,696)
<b>Total Expenditure</b>		<b>(30,050,983)</b>	<b>(29,237,056)</b>
Net finance income	6	466,235	359,477
<b>Surplus/(deficit) for the Year</b>	7	<b>(647,655)</b>	<b>363,439</b>
<b>Other Comprehensive Income</b>			
Increase in asset revaluation reserve	17	1,075,436	705,800
		<b>1,075,436</b>	<b>705,800</b>
<b>Total Comprehensive Income for the Year</b>		<b>427,781</b>	<b>1,069,239</b>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 14 to 29.

## Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	2,651,370	3,818,596
Inventories	9	16,170	19,419
Trade and other receivables	10	543,629	1,110,917
Other financial assets	11	6,231,583	6,213,733
Assets Held for Sale	12	3,080,581	-
<b>Total Current Assets</b>		<b>12,523,333</b>	<b>11,162,665</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	12	4,153,871	5,717,376
Intangibles	13	21,455	399,003
<b>Total Non-Current Assets</b>		<b>4,175,326</b>	<b>6,116,379</b>
<b>Total Assets</b>		<b>16,698,659</b>	<b>17,279,044</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	2,742,276	3,461,576
Employee benefits	15	2,114,453	2,164,028
Provisions	16	179,833	247,237
<b>Total Current Liabilities</b>		<b>5,036,562</b>	<b>5,872,841</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	14	335,571	695,193
Employee benefits	15	830,240	765,380
Provisions	16	963,684	840,809
<b>Total Non-Current Liabilities</b>		<b>2,129,495</b>	<b>2,301,382</b>
<b>Total Liabilities</b>		<b>7,166,057</b>	<b>8,174,223</b>
<b>Net Assets</b>		<b>9,532,602</b>	<b>9,104,821</b>
<b>Funds</b>			
Reserves	17	3,484,557	2,409,121
Retained surplus	18	6,048,045	6,695,700
<b>Total Funds</b>		<b>9,532,602</b>	<b>9,104,821</b>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 14 to 29.

## Statement of Changes in Funds

For the year ended 30 June 2016

	Retained Surplus	Asset Revaluation Reserve	Asset Realisation Reserve	FRSP Fee Reserve	Total Funds
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2014</b>	5,909,261	1,553,321	150,000	423,000	8,035,582
<b>Total comprehensive income for the year</b>					
Surplus for the year	363,439	-	-	-	363,439
Other comprehensive income	-	705,800	-	-	705,800
Total other comprehensive income	363,439	705,800	-	-	1,069,239
<b>Transactions with owners, recorded directly in equity</b>					
Transfer to reserves	423,000	-	-	(423,000)	-
Total transactions with owners	423,000	-	-	(423,000)	-
<b>Balance at 30 June 2015</b>	6,695,700	2,259,121	150,000	-	9,104,821
<b>Total comprehensive income for the year</b>					
Deficit for the year	(647,655)	-	-	-	(647,655)
Revaluation reserves	-	1,075,436	-	-	1,075,436
Total other comprehensive surplus	(647,655)	1,075,436	-	-	427,781
<b>Transactions with owners, recorded directly in equity</b>					
Transfer from reserves	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>6,048,045</b>	<b>3,334,557</b>	<b>150,000</b>	<b>-</b>	<b>9,532,602</b>

The statement of changes in funds is to be read in conjunction with the notes to the financial statements set out on pages 14 to 29.

## Statement of Cash Flows

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Cash receipts from grants		28,726,516	27,531,355
Cash receipts from fees, donations and other income		2,782,772	3,065,039
Cash paid to suppliers and employees		(31,911,100)	(31,137,569)
Interest received		194,059	494,146
<b>Net cash from operating activities</b>		<b>(207,753)</b>	<b>(47,028)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,210,045)	(1,683,435)
Payments for intangible assets		-	(317,842)
Transfers to term deposits		254,326	1,345,674
Transfers to investments		(3,754)	(6,094,076)
<b>Net cash used for investing activities</b>		<b>(959,473)</b>	<b>(6,749,679)</b>
<b>Net cash from financing activities</b>			
		-	-
Net increase/(decrease) in cash held		(1,167,226)	(6,796,707)
Cash and cash equivalents at beginning of financial period		3,818,596	10,615,303
<b>Cash and cash equivalents at end of financial period</b>	8	<b>2,651,370</b>	<b>3,818,596</b>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 14 to 29.

# Notes to the Financial Statements

For the year ended 30 June 2016

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## 1. Reporting entity

Relationships Australia (NSW) Limited is a not for profit company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is Suite 102, 68 Waterloo Road, Macquarie Park NSW 2113.

The principal activities of the Company are to provide couple and family counselling, mediation and therapy services to adolescents and parents, professional training, relationships education programs and teaching parenting skills and helping disadvantaged families. Our services aim to prevent family and relationship breakdown and the suffering it causes and to promote better relationships.

## 2. Basis of preparation

### 2.1 Statement of compliance

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements were authorised for issue by the Board of Directors on 20 October 2016.

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

- (i) property measured at fair value; and
- (ii) financial assets designated at fair value through profit or loss.

### 2.3 Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

### 2.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 16 – Provisions.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

#### 3.1 Income tax

The Company is a not-for-profit organisation and has been advised by the Australian Taxation Office that it is exempt from Income Tax pursuant to the *Income Tax Assessment Act 1997*.

#### 3.2 Revenue

The Company receives federal and state government funding for various purposes. Grant income is recognised when the monies are received and obligations have been met in relation to the grant or program. Funds received in advance of obligations being met are deferred and taken to income as the related expenses are incurred and obligations met.

Revenue from the rendering of education, training and other services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of Goods and Services Tax (GST).

#### 3.3 Financial instruments

##### 3.3.1 Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets, including assets designated at fair value through profit or loss, are recognised initially on the trade date, which is the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

#### 3.3 Financial instruments

##### 3.3.1 Non-derivative financial assets

The Company classifies non-derivative financial assets into the following categories: (i) loans and receivables and (ii) financial assets at fair value through profit or loss.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, term deposits and trade and other receivables.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

### 3. Significant accounting policies (continued)

#### 3.3 Financial instruments (continued)

##### 3.3.1 Non-derivative financial assets (continued)

###### *Financial assets at fair value through profit or loss*

A financial asset is classified at fair value through profit or loss if it is designated as such on initial recognition or is classified as held-for-trading. Financial assets that are subject to frequent changes in fair value and where there exists a possibility of sale in the near term are designated at fair value through profit or loss.

Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

The Company's investments in managed funds are classified as financial assets at fair value through profit or loss.

##### 3.3.2 Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when the contractual obligations are discharged or cancelled or expired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3.4 Inventories held for distribution or consumption

Items of nil or nominal consideration that are held for distribution in the ordinary course of operations or consumed in the rendering of services are classified as an inventory asset.

These inventories are measured at the lower of cost and current replacement cost. An expense is recognised in the period in which the inventory is distributed or consumed.

#### 3.5 Property, plant and equipment

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any property, plant and equipment donated to the Company or acquired at nominal cost are recognised at fair value at the date the Company obtains control of the assets.

##### 3.5.1 Revaluation of land and buildings

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent depreciation on buildings and any subsequent accumulated impairment losses.

### 3. Significant accounting policies (continued)

#### 3.5 Property, plant and equipment (continued)

##### 3.5.1 Revaluation of land and buildings (continued)

Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date.

Land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the statement of comprehensive income, in which case it is credited to that statement.

When the carrying amount of the land and buildings is decreased as a result of a revaluation, the decrease is recognised in the statement of comprehensive income except where a credit balance exists in the revaluation reserve in which case it is debited to that reserve.

##### 3.5.2 Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the Company commencing from the time that the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	30 June 2016	30 June 2015
Buildings	25 years	25 years
Leasehold improvements	3-5 years	3-5 years
Plant and equipment	5-7 years	5-7 years
Computers	2-3 years	2-3 years
Software	Estimated useful life	Estimated useful life

Where an asset's life is not expected to greatly exceed twelve months, or expenditure of a minor capital nature less than \$5,000 is incurred, it is written off and not capitalised.

##### 3.5.3 Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

#### 3.6 Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

#### 3.7 Leased assets

Leases of terms during which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition such a leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease

### 3. Significant accounting policies (continued)

#### 3.7 Leased assets (continued)

payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy for that asset.

Other leases are operating leases and the leased assets are not recognised within the Company's statement of financial position.

#### 3.8 Finance income and finance costs

Finance income comprises interest income and unit distributions on funds invested and fair value gains on financial assets at fair value through profit or loss.

Finance costs comprise fair value losses on financial assets at fair value through profit or loss and investment management fees.

#### 3.9 Employee benefits

##### 3.9.1 Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### 3.9.2 Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit takes into account retirement probabilities based on a market-tested actuarial model and is discounted to determine its present value.

The discount rate is the yield at the reporting date of Commonwealth Government bonds that have maturity dates approximating the terms of the Company's obligations.

##### 3.9.3 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

#### 3.10 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### 3. Significant accounting policies (continued)

#### 3.11 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 Taxation 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 balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

#### 3.12 Lease payments

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

#### 3.13 Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognised in the statement of comprehensive income.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

#### 3.14 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for the annual period beginning after 1 July 2016. This includes AASB 9 Financial instruments, which becomes mandatory for the Company's 2016 financial statements. The Company does not plan to adopt these standards early and elective standards, amendments and interpretations have not been assessed to determine their effect on the financial statements of the Company.

#### 4. Revenue and other income

	2016	2015
	\$	\$
Federal Government grants	20,349,313	20,543,516
State Government grants	6,005,192	5,803,536
Donations	360	506
Education revenue	396,825	398,098
Fees	2,000,285	1,790,966
Other income	185,118	704,396
	<b>28,937,093</b>	<b>29,241,018</b>

#### 5. Personnel expenses

	2016	2015
	\$	\$
Wages, salaries and leave entitlements	18,861,810	18,880,906
Superannuation contributions	1,763,788	1,706,725
Other personnel expenses	2,760,684	2,790,237
	<b>23,386,282</b>	<b>23,377,868</b>

#### 6. Net finance income

	2016	2015
	\$	\$
Interest income	189,907	400,070
Unit distributions – managed funds	258,944	94,076
Gain/(loss) on fair value of financial assets designated at fair value through profit or loss	17,385	(134,669)
	<b>466,235</b>	<b>359,477</b>

#### 7. Surplus for the year

The surplus for the year includes the following expenses:

	2016	2015
	\$	\$
Net amounts provided for:		
Change in employee benefits provision	15,285	34,770
Rental expense - operating leases	1,974,028	1,955,348
Other property and property related expenses	826,204	785,978
Depreciation – leasehold improvement	925,752	502,507

#### 8. Cash and cash equivalents

	2016	2015
	\$	\$
Cash on hand	7,805	10,366
Cash at bank	126,837	3,808,230
Cash at bank - call deposit and term deposit	2,516,728	-
	<b>2,651,370</b>	<b>3,818,596</b>

The Company has access to a bank overdraft facility of \$25,000 from St. George Bank Limited. Interest is charged at prevailing market rates. At 30 June 2016, none of the facility was utilised (2015: \$nil utilised).

## 8. Cash and cash equivalents (continued)

The above amounts represent the maximum credit exposure on these cash and cash equivalents. Cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency Standard and Poor's ratings.

## 9. Inventories

	2016	2015
	\$	\$
Publications for distribution	16,170	19,419

## 10. Trade and other receivables

	2016	2015
	\$	\$
Trade debtors	239,447	77,752
Tenancy security deposits	109,212	84,085
Prepayments and other receivables	194,970	949,080
	543,629	1,110,917

Trade debtors is shown net of impairment of losses of \$47,393 (2015: \$55,999). The amounts written off for the year ended 30 June 2016 were \$48,180 (2015: \$28,028).

The allowance accounts in respect of trade and other receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off against the financial asset directly.

## 11. Other financial assets

	2016	2015
	\$	\$
Term deposits with maturity > 3 months	-	254,326
Investments at fair value through profit or loss (note 11.1)	6,231,583	5,959,407
	6,231,583	6,213,733

Investments at fair value through profit and loss comprise 5,968,377 units in unlisted managed fund *BT Wholesale Monthly Income Plus Fund* owned by BT Investment Management (the 'Responsible Entity').

The investment has been designated at fair value through profit or loss upon initial recognition as the Directors believe that doing so results in more relevant information being provided as their performance is actively monitored and they are managed on a fair value basis in accordance with the Company's investment strategy.

### 11.1 Units in unlisted managed fund

	2016	2015
	\$	\$
Balance at beginning of year	5,959,407	-
Investments during the year	258,944	6,094,076
Gain/(Loss) on revaluation	13,232	(134,669)
Balance at end of year	6,231,583	5,959,407

The investment is valued at the unit redemption price of \$1.0441 as at 30 June 2016 (2015: \$1.0413), as established by the funds Responsible Entity.

The gain on revaluation of \$17,385 (2015: \$134,669 loss) is reflected under net finance income in the statement of profit or loss (refer note 6).

## 12. Property, plant and equipment

	2016	2015
	\$	\$
<b>Land - at valuation</b>		
Freehold land at independent valuation (2013/2015)	680,000	2,080,000
<b>Buildings - at valuation</b>		
Buildings at independent valuation (Lane Cove) (2013/2015)	-	550,000
Less: accumulated depreciation	-	-
Buildings at independent valuation (Hunter) (2013/2015)	420,000	420,000
Less: accumulated depreciation	(16,846)	-
	<u>403,154</u>	<u>970,000</u>
Total land and buildings	<u>1,083,154</u>	<u>3,050,000</u>
<b>Leasehold improvements</b>		
Leasehold improvement	5,523,928	4,799,140
Less: accumulated depreciation	(3,069,907)	(2,208,978)
	<u>2,454,320</u>	<u>2,590,162</u>
<b>Plant and equipment at cost</b>		
Furniture	40,410	40,410
Less: accumulated depreciation	(32,406)	(30,224)
Computer hardware and software	546,647	158,173
Less: accumulated depreciation	(135,632)	(103,339)
Office machines and equipment at cost	424,076	246,540
Less: accumulated depreciation	(226,699)	(234,346)
Total plant and equipment	<u>616,396</u>	<u>77,214</u>
	<u>4,153,871</u>	<u>5,717,376</u>
<b>Assets held for sale</b>		
Lane Cove land and buildings	3,080,581	-
Total assets held for sale	<u>3,080,581</u>	<u>-</u>

The revaluation of freehold land and buildings is based on the independent valuation of the market value of all land and buildings on 30 June 2016 by S Eccleston FAPI CPV CPP of BEM Property Consultants Pty Ltd.

Market value is determined by estimating the rental value of the property, which has then been capitalised at an appropriate rate of return. This has been checked against the subject property with the sales evidence for a range of commercial and retail premises in comparable locations.

The contract for sale of the Lane Cove land and buildings at 5 Sera Street was exchanged on 4 June 2016 for \$3,150,000 and completed on 29 August 2016.

## 12. Property, plant and equipment (continued)

Reconciliation	Land	Buildings	Plant & equipment	Leasehold improvement	Assets held for sale	Total
	\$	\$	\$	\$	\$	\$
<b>Balance 1 July 2015</b>	2,080,000	970,000	77,214	2,590,162	-	5,717,376
Additions	-	-	354,453	855,592	-	1,210,045
Revaluation	-	-	-	11,322	1,075,436	1,086,758
Disposals/write-off	-	-	(5,876)	(71,050)	-	(76,926)
Reclassification	(1,400,000)	(529,773)	317,842	(5,953)	2,005,145	387,261
Depreciation	-	(37,073)	(127,236)	(925,752)	-	(1,090,061)
<b>Balance 30 June 2016</b>	680,000	403,154	616,397	2,454,320	3,080,581	7,234,452

The Company's liabilities to the bank are secured by the commercial property at 5 Sera Street, Lane Cove and a registered fixed and floating charge over all assets and undertakings of the Company.

Once the sale of land and buildings at 5 Sera Street, Lane Cove is complete, the land and buildings at 4-6 Heddon Road, Broadmeadow will be used to secure the Company's liabilities to the bank.

The carrying amount of the pledged property, plant and equipment is \$3,081,000 (2015: \$1,950,000).

## 13. Intangibles

	2016	2015
	\$	\$
Software at cost	631,211	949,053
Less: accumulated amortisation	(609,756)	(550,050)
	21,455	399,003
<b>Reconciliation of software</b>		
Balance at beginning of year	399,003	162,459
Additions	-	317,842
Less: reclassification	(317,842)	-
Less: amortisation for the year	(59,706)	(81,298)
Balance at end of year	21,455	399,003

## 14. Trade and other payables

	2016	2015
	\$	\$
<b>Current</b>		
Trade payables	410,478	468,888
Salaries and wages accrued	737,776	1,153,009
Other payables and accruals	589,414	625,482
Grants received in advance	950,756	1,214,197
Lease liability	53,851	-
	<u>2,742,276</u>	<u>3,461,576</u>
<b>Non-current</b>		
Deferred rent	-	354,468
Lease liability	143,526	-
Lease incentive - fit-out contribution	192,045	340,725
	<u>335,571</u>	<u>695,193</u>

Trade creditors are generally settled within 30 days. The Directors consider the carrying amount of trade and other accounts payable approximate their net fair values.

## 15. Employee benefits

	2016	2015
	\$	\$
<b>Current</b>		
Liability for annual leave	1,520,354	1,580,113
Liability for long service leave	594,099	583,915
	<u>2,114,453</u>	<u>2,164,028</u>
<b>Non-current</b>		
Liability for long service leave	830,240	765,380
	<u>830,240</u>	<u>765,380</u>

## 16. Provisions

	2016	2015
	\$	\$
<b>Make-good provision</b>		
Balance at beginning of year	1,088,046	977,841
Provision made/(reversed) during the year	55,471	110,205
Balance at end of year	<u>1,143,517</u>	<u>1,088,046</u>
Current	179,833	247,237
Non-current	963,684	840,809
	<u>1,143,517</u>	<u>1,088,046</u>

The provision for make-good relates to premises occupied by the Company. The provision is based on estimates made by the Company's property consultant.

## 17. Reserves

	2016	2015
	\$	\$
Asset revaluation reserve	3,334,557	2,259,121
Asset realisation reserve	150,000	150,000
FRSP fee reserve	-	-
Balance at end of year	3,484,557	2,409,121
<b>Movements during the year:</b>		
<b>(a) Asset revaluation reserve</b>		
Balance at beginning of year	2,259,121	1,553,321
Movements during the year	1,075,436	705,800
Balance at end of year	3,334,557	2,259,121
<b>(b) Assets realisation reserve</b>		
Balance at beginning of year	150,000	150,000
Movements during the year	-	-
Balance at end of year	150,000	150,000
<b>(c) FRSP fee reserve</b>		
Balance at beginning of year	-	423,000
Movements during the year	-	(423,000)
Balance at end of year	-	-

**Asset revaluation reserve**

The asset revaluation reserve includes the net revaluation increments and decrements from the revaluation of non-current assets in accordance with AASB 116.

**Family relationships services program (FRSP) fee reserve**

Under the Grant Agreement – Families and Children and Grant Agreement – Attorney Generals Department – Families and Communities Programme delivered by Department of Social Services – Families and Children with the Australian Government Department of Social Services (DSS), any fee income earned or generated by the Company from its use of DSS funding will be directed by the Company to costs associated with the FRSP. Fee income earned or generated by the Company includes any fees paid to the Company by other persons for the provision of services to those persons for which the Company receives the funding.

## 18. Retained surplus

	2016	2015
	\$	\$
Balance at beginning of year	6,695,700	5,909,261
Surplus/(deficit) for the year	(647,655)	363,439
Transfer to reserves	-	423,000
Balance at end of year	6,048,045	6,695,700

## 19. Contingent liabilities

The Company has given certain bank guarantees in relation to premises leases. The Directors are of the opinion that provisions are not required in respect of these guarantees as it is not probable that a future sacrifice of economic benefits will be required.

	2016	2015
	\$	\$
<b>Bank guarantees</b>		
Pirasta Pty Ltd	-	39,256
Stonehenge Pty Limited	31,167	31,167
Bermark Pty Ltd	19,008	19,008
LIF Pty Limited	75,695	75,695
The Trust Company (Australia) Ltd	107,904	107,904
The Council of the City of Hurstville	-	14,530
Gemnoll Pty Limited	93,353	93,353
GPT Funds Management 2 Pty Limited	24,190	24,190
Nor'side Investments Pty Limited	70,400	-
AMP Capital Funds Management Limited and Sunsuper Pty Limited	339,735	339,735
	<b>761,452</b>	<b>744,838</b>

The above bank guarantees relate to the following leased premises:

Pirasta Pty Ltd	Units 1 and 2, 277 Lane Cove Road, North Ryde
Stonehenge Pty Limited	202/203, Westfield Mt Druitt, cnr of Carlisle Avenue and Luxford Road, Mt Druitt
Bermark Pty Ltd	125 Main Street, Blacktown
LIF Pty Limited	118-120 Sussex Street, Sydney
The Trust Company (Australia) Ltd	Suite 2.02, Level 2, 175 Castlereagh Street, Sydney
The Council of the City of Hurstville	Suite 1B, 34 MacMahon Street, Hurstville
Gemnoll Pty Limited	Suite 601, 126 Church Street, Parramatta
GPT Funds Management 2 Pty Ltd	Shop LB102A Rouse Hill Town Centre, Rouse Hill
Nor'side Investments Pty Limited	Suites 6 & 7, Level 2, 606 High Street, Penrith
AMP Capital Funds Management Limited and Sunsuper Pty Limited	Suite 1.02, Level 1, 68-72 Waterloo Road, Macquarie Park

## 20. Commitments

### 20.1 Capital commitments

The Company had no capital commitments as at 30 June 2016 (2015: \$nil).

## 20.2 Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016	2015
	\$	\$
<b>Leases as lessee</b>		
Not later than one year	2,086,316	1,993,070
Later than one year but not later than five years	4,252,516	3,223,037
Greater than five years	799,120	-
	<b>7,137,952</b>	<b>5,216,107</b>

The Company leases a number of office premises and motor vehicles under operating leases. The premises leases typically run for 3-5 years; some with an option to renew after that date. Motor vehicle leases typically run for 3 years. During the year ended 30 June 2016, \$1,993,070 was recognised as expenses in the statement of comprehensive income in respect of operating lease (2015: \$1,955,348).

## 21. Members' guarantee

Relationships Australia (NSW) Limited is a company limited by guarantee, incorporated in New South Wales, Australia. Every member undertakes to contribute to the assets of the Company in the event of the Company being wound up during the time he or she is a member or within one year afterwards. The guarantee includes the payment of debts and liabilities of the Company contracted before the time at which he or she ceases to be a member and the costs, charges and expenses of winding up the Company and for the adjustment of the rights of the contributors among themselves, such amounts as may be required, not exceeding \$20. As at June 2016 the Company had 19 members (2015: 24).

## 22. Related parties

The following were key management personnel (KMP) of the Company during the reporting period and unless otherwise indicated were KMP for the entire period.

### Non-Executive Directors

- Christopher Bertinshaw, MComm, BBus, Dip.Th, FAICD – Chair
- Laura Raymer, BBus, CA, FAICD – Vice Chair (Resigned 24 February 2016)
- Louise Fitt, BComm, LLB, LLM, GAICD, MAHRI (Retired 19 November 2015)
- Margaret Scott, MEd (Health), GAICD
- Kerrie Bigsworth, PhD, MBA, BSc (Arch), GAICD
- Marilyn Sleight, BSc (Hons), PhD, Dip Corp Man, FAICD
- Steve Rust, BSc (Hons), Grad Dip Comp Studies, GAICD
- Andrea Christie-David, M Int Law, Grad Cert Legal Practice, LLB, BA (Linguistics), Cert IV Training & Assessment
- Peter Ricketts, B Comm., MBA, FGIA, CA, CFTP (Snr), FAICD

### Executives

- Frank Francis - Chief Executive Officer and Company Secretary
- Gillian Lawrence – Chief Financial Officer and Company Secretary
- Joanna Quilty – Director of Operations (Resigned October 2015)
- Lorraine Murphy – Director of Clinical Services (Resigned December 2015)
- Kathy Wood – Academic Director (to October 2015), Executive General Manager of Business Transformation (from October 2015)

## 22 Related parties (continued)

- Emma Moore – Executive General Manager of People & Learning
- Kerrie McFadden – Director of Brand and New Business (to October 2015), Executive General Manager of Operations (from October 2015)
- Elisabeth Shaw – Executive General Manager of Clinical Services (Commenced March 2016)
- Sarah Rowley – Executive General Manager of Operations (Commenced October 2015)
- Suzy Sotirias – Executive General Manager of Brand, Marketing & Communications (Commenced October 2015, resigned April 2016)
- David Goldman – Executive General Manager of Brand, Marketing & Communications (Commenced May 2016)

### 22.1 Directors' fees

No Director is entitled to any compensation for their services during the financial year (2015: \$nil).

### 22.2 Transactions with key management personnel

The KMP pay and reward framework is a total employment cost package that may be delivered as a combination of cash, other remuneration such as superannuation and prescribed non-financial benefits at management's discretion.

The combination of these comprises the KMP total compensation and is included in Personnel Expenses in note 5.

	2016	2015
	\$	\$
Short-term employee benefits	1,346,074	1,071,688
Post-employment benefits	154,622	159,761
Termination benefits	66,470	-
	<b>1,567,166</b>	<b>1,231,449</b>

From time to time, KMP of the Company, or its related parties, may purchase goods or acquire services from the Company. These are on the same terms and conditions as those entered into by other employees or customers and are trivial or domestic in nature.

### 22.3 Transactions with non-key management personnel

There were no transactions entered into by non-KMP with any related parties during the financial period.

### 23. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor, KPMG:

	<b>2016</b>	<b>2015</b>
	\$	\$
Audit and review of financial reports	34,500	34,500
Audit and review of acquittal returns	5,000	5,000
Other services	-	78,419
	<b>39,500</b>	<b>117,919</b>

### 24. Economic dependency

The Company is reliant on government grants for the majority of its revenue.

### 25. Events subsequent to reporting date

Other than the completion of the sale of 5 Sera Street, Lane Cove on 29 August 2016, which was disclosed under Assets held for sale at the year end, there have been no other events subsequent to the balance date which would have a material effect on the Company's financial statements as at 30 June 2016.

### 26. Results of fundraising appeals

During the year the Company raised \$360 from donations (2015: \$506) – refer to note 4. Further disclosure as required by the Charitable Fundraising (NSW) Act 1991 and Regulations is not presented as the amount is not significant.



## Auditor's Independence Declaration

### Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of Relationships Australia (NSW) Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Allenby

Partner

Sydney

20 October 2016



## Audit Report

### Independent auditor's report to the members of Relationships Australia (NSW) Limited

#### Report on the financial report

We have audited the accompanying financial report of Relationships Australia (NSW) Limited (the Company), which comprises the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, notes 1 to 26 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

This audit report has also been prepared for the members of the Company in pursuant to Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC) and Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations.

#### *Director's responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC, (the Acts and Regulations). The Director's responsibility also includes such internal control as the directors determine necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



### **Independent auditor's report to the members of Relationships Australia (NSW) Limited (cont'd)**

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

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

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

#### *Auditor's opinion*

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

- (a) Giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards- Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation Act 2013*.

#### *Audit opinion pursuant to the Charitable Fundraising Act (NSW) 1991*

In our opinion:

- (a) The financial report gives a true and fair view of Relationships Australia (NSW) Limited's financial result of fundraising appeal activities for the financial year ended 30 June 2016;
- (b) The financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2015 to 30 June 2016, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) Money received as a result of fundraising appeal activities conducted during the period from 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- (d) There are reasonable grounds to believe that Relationships Australia (NSW) Limited will be able to pay its debts as and when they fall due.

KPMG

Chris Allenby

*Partner*

Sydney

20 October 2016