Parenting Research Centre Inc.

Annual Financial Report 2020

Parenting Research Centre

Board of Management Report

The Board of Management presents the financial report of the Parenting Research Centre Inc for the financial year ended 30 June 2020.

Board Members
The Board of Management has a cyclic membership provision. Board members throughout the year end and at the date of this report are:

T Gibson	T Phillips	D Meagher (appointed Dec 2019)
A Hume	C Smith	
M Jury	J Whakaari	

The following members retired during the financial year:
L Hornsey (retired Mar 2020)
G Molyneux (retired Feb 2020)

Principal Activities
The principal activity of the Centre has been the conduct of parenting research and the development and dissemination of parenting programs and resources.

Significant Changes
No significant change in the nature of these activities occurred during the year.

Operating Result
The Centre registered a surplus of $291,098 for the 2020 financial year (2019: $221,727).

Subsequent Event (impact of COVID-19)
On 11 March 2020, the World Health Organisation declared COVID-19 a global health pandemic. Since that time, there has been unprecedented measures imposed by the Australian government during 2020 which has caused disruption to businesses and economic activity.

These measures, including but not limited to Stage 3 and Stage 4 lockdown restrictions in Victoria, are likely to have an impact on the Centre's net profit for the year ending 30 June 2021. The Centre considers these events to be non-adjusting post balance sheet and accordingly the financial effects of COVID-19 have not been reflected in the Centre's financial statements as at 30 June 2020.

Whilst the outbreak of COVID-19 has not had a material impact on the current year results, the Board will continue to monitor the situation as there may be a material impact on the results of the Centre in future financial years.

Except for the event mentioned above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Centre, or the results of those operations in future financial years.

Signed in accordance with a resolution of the Members of the Board.

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A Hume **T Phillips**

Dated this 8th day of October 2020

Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2020

	Note	2020 $	2019 $
INCOME			
Program and Project Funding		10,900,433	12,675,567
Interest		106,643	135,122
Other		125,589	45,377
Total Income		**11,132,665**	**12,856,066**
EXPENSES			
Program/Service Delivery	2	4,876,480	5,739,083
Employee Benefits		5,023,500	5,619,906
Occupancy and Overheads	2	668,967	1,227,756
Depreciation	4(b)	272,620	47,594
Total Expenses		**10,841,567**	**12,634,339**
Surplus for the Year	1(a)	**291,098**	**221,727**
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**291,098**	**221,727**

The accompanying notes form part of these financial statements

Statement of Financial Position
As at 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	10	7,467,487	7,182,666
Trade and Other Receivables	3	565,710	395,483
Prepayments		18,694	30,376
Total Current Assets		**8,051,890**	**7,608,525**
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	143,728	55,331
Total Non-Current Assets		**143,728**	**55,331**
Total Assets		**8,195,619**	**7,663,856**
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	5	853,555	753,942
Provisions	6	810,000	760,000
Capitalised Office Lease liabilities		126,188	0
Grants Received in Advance		2,359,599	2,394,735
Total Current Liabilities		**4,149,342**	**3,908,677**
NON-CURRENT LIABILITIES			
Provisions	6	45,000	45,000
Total Non-Current Liabilities		**45,000**	**45,000**
Total Liabilities		**4,194,342**	**3,953,677**
Net Assets		**4,001,277**	**3,710,179**
EQUITY			
Retained Earnings		4,001,277	3,710,179
Total Equity		**4,001,277**	**3,710,179**

The accompanying notes form part of these financial statements

Statement of Changes in Equity
For the financial year ended 30 June 2020

	Note	Retained Earnings $	Total $
Balance at 30 June 2018		**3,488,452**	**3,488,452**
Total surplus for the year		221,727	221,727
Balance at 30 June 2019		**3,710,179**	**3,710,179**
Total surplus for the year		291,098	291,098
Balance at 30 June 2020		**4,001,277**	**4,001,277**

The accompanying notes form part of these financial statements

Statement of Cash Flows
For the financial year ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Program and Project Funding		10,570,330	12,389,683
Interest Received		106,643	135,122
Other		74,485	42,320
Total Receipts		**10,751,458**	**12,567,125**
Payments			
Payments to Suppliers		(5,363,591)	(6,267,405)
Salaries and Wages		(4,859,062)	(5,225,966)
Total Payments		**(10,222,653)**	**(11,493,371)**
Net Cash generated from Operating Activities	9(b)	**528,805**	**1,073,754**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		-	(3,160)
Net Cash Flows Used In Investing Activities		**-**	**(3,160)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of office lease liabilities		(243,984)	-
Net cash generated by/(used in) Financing Activities		(243,984)	-
Net Increase/(Decrease) in Cash and Cash Equivalents		**284,821**	**1,070,594**
Cash and Cash Equivalents at the beginning of the financial year		7,182,666	6,112,072
Cash and Cash Equivalents at the end of the financial year	9(a)	**7,467,487**	**7,182,666**

The accompanying notes from part of these financial statements

Notes to the Financial Statements
for the financial year ended 30 June 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation
Parenting Research Centre Inc applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Associations Incorporation Reform Act 2012 and the Australia Charities and Not-for-Profits Commission Act 2012. The Centre is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the same day as the Board of Management Report.

Going Concern (COVID-19)
The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the pandemic of the Centre's operations along with measures taken by the government have the potential to negatively affect the Centre's results, and the uncertain duration of Stage 4 and Stage 3 lockdown restrictions in Victoria has created significant uncertainty in society and the economy.

It is extremely difficult to determine the COVID-19 financial impact on the Centre even though it is unlikely to be significant based on what is known at the date of the financial report. The Centre has a strong Net Asset position and Cash balance at 30 June 2020 which is expected to shield it from adverse financial impacts in the foreseeable future. Accordingly, the Financial Statements have been prepared on a going concern basis.

Accounting Policies

(a) Income Recognition
Revenue recognition policy applicable *before* 1 July 2019
Income is recognised to the extent that it is probable that the economic benefits will flow to the Centre and the income can be reliably measured. Amounts disclosed as revenue are, where applicable, net of returns, allowance and duties and taxes.

Grant, Program and Project Funding
Non-reciprocal grant revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income when the Centre obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Centre and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Notes to the Financial Statements
for the financial year ended 30 June 2020

When grant revenue is received whereby the Centre incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue recognition policy applicable *after* 1 July 2019
The Centre has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

Grant, Program and Project Funding
Grant, Program and Project Funding received are assessed whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.
When both these conditions are satisfied, the Centre:

- Identifies each performance obligation relating to the grant/funding;
- Recognises a contract liability for it's obligations under the agreement; and
- Recognises revenue as it satisfies it's performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Centre:

- Recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Interest Income
Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

(b) Income Tax
The Centre has received endorsement from the Australian Taxation Office as an income tax exempt charity under Subdivision 50-B of the Income Tax Assessment Act 1977. The tax effect accounting has not been applied as a result.

(c) Cash and Cash Equivalents
Cash and cash equivalents, comprise cash on hand and cash at bank, deposits at call and term deposits which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Term deposits with maturity greater than three months, trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

(d) Impairment of Assets
At the end of each reporting period, the Centre reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Financial Statements
for the financial year ended 30 June 2020

Where it is not possible to estimate the recoverable amount of an individual asset, the Centre estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Property, Plant and Equipment
Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

(i) Plant and Equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Centre to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.
The cost of fixed assets constructed within the Centre includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

(ii) Depreciation
The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and Fittings	16% - 20%
I.T. Comm Eqpt and Office Eqpt	20% - 33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(f) Leases
Lease recognition policy applicable *before* 1 July 2019
A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Notes to the Financial Statements
for the financial year ended 30 June 2020

Operating lease payments, including any contingent rentals, are recognised as an expense in the operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Lease recognition policy applicable *after* 1 July 2019
At inception of a contract, the Centre assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Centre where the Centre is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payment are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Centre uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on and index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantee;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options if lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Centre anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(g) Financial instruments
Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For financial assets, this is the date that the Centre commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Financial Assets measured at Amortised Cost
The Centre classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collective contractual cash flows; and

Notes to the Financial Statements
for the financial year ended 30 June 2020

- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Centre's term deposit and trade and receivables fall into this category of financial instruments.

(ii) Recognition and derecognition
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(iii) Classification and initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

(iv) Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:
- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within other income, except for impairment of trade receivables which is presented in provision for doubtful debts.

(v) Impairment of financial assets
AASB 9's new forward looking impairment model applies to the Centre's investments at amortised cost. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

(vi) Trade and other receivables and contract assets
The Centre makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. At 30 June 2020, the entity applies a standardised percentage across all debtors under the expected credit loss model.

(h) Employee Benefits
Provision is made for the Centre's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using

Notes to the Financial Statements
for the financial year ended 30 June 2020

market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Provisions
Provisions are recognised when the Centre has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Commitments
Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value inclusive of GST payable.

(k) Contingent Assets and Contingent Liabilities
Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(l) Accounting for the Goods and Services Tax (GST)
Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flow.

(m) Comparative figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Critical Accounting Estimates and Judgments
The board of management evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Centre.

Key judgements – provision for expected credit loss
Included in the trade receivables at the end of the reporting period is an amount receivable from projects during the current financial year amounting to $565,710 (2019: $395,483) for the entity. Management have examined doubtful debts provision, which is determined based on the expected credit loss model as defined under AASB 9. This takes into effect the historical losses over the past years on relative debtors, and is then adjusted for current and potential future events.

(o) New and Amended Accounting Standards Adopted by the Centre
Initial application of AASB 16
The Centre has adopted AASB 16 Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16 the comparatives for the 2019 reporting have not been restated.

The Centre recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases under AASB 117 Leases where the Centre is the lessee.

Notes to the Financial Statements
for the financial year ended 30 June 2020

The lease liabilities are measured at the present value of the remaining lease payments. The Centre's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Centre in applying AASB 16 for the first time:

- For a portfolio of leases that have reasonably similar characteristics, a single discount rate has been adopted;
- Leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases;
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- Applying AASB 16 to leases previously identified as leases under AASB 17: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application; and
- Not apply AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

Application of AASB 15 and AASB 1058

The Centre has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058.

Notes to the Financial Statements
for the financial year ended 30 June 2020

NOTE 2: EXPENSES

	2020 $	2019 $
Program/Service Delivery		
Service Delivery	4,120,561	4,582,122
Consultancy and Other	755,919	1,156,961
Total Program/Service Delivery	**4,876,480**	**5,739,083**
Occupancy and Overheads		
Occupancy	73,591	371,198
Interest expense on lease liabilities	9,155	-
Communication and I.T.	191,353	211,052
Other Overheads	394,868	645,506
Total Occupancy and Overheads	**668,967**	**1,227,756**

NOTE 3: TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Current Receivables		
Trade	508,314	299,810
Deposits	57,396	57,396
Other	-	38,277
Total Trade and Other Receivables	**565,710**	**395,483**

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

	2020 $	2019 $
Furniture and Fittings:		
Carrying amount	365,824	365,824
Less: accumulated depreciation	(344,258)	(315,785)
	21,566	**50,039**
I.T. Comm Eqpt & Office Eqpt		
Carrying amount	163,727	163,727
Less: accumulated depreciation	(163,727)	(158,435)
	-	**5,292**
Office Lease (right-of-use asset):		
Carrying amount on transition to AASB16	361,017	-
Less: accumulated depreciation	(238,854)	-
	122,163	**-**
Net Carrying Amount	**143,728**	**55,331**

Notes to the Financial Statements
for the financial year ended 30 June 2020

NOTE 4(a): Movements in carrying amount

	Furniture and Fittings		I.T. Comm Eqpt and Office Eqpt		Office Lease		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$
Opening balance	**50,039**	**73,919**	**5,292**	**29,014**	**-**	**-**	**55,331**	**102,933**
Adjustment on transition to AASB 16	-	-	-	-	361,017	-	361,017	-
Additions		3,160	-	-	-	-	-	3,160
Disposals		(802)		(2,366)	-	-	-	(3,168)
Depreciation expense	(28,474)	(26,238)	(5,292)	(21,356)	(238,854)	-	(272,620)	(47,594)
Closing balance	**21,565**	**50,039**	**-**	**5,292**	**122,163**	**-**	**143,728**	**55,331**

NOTE 4(b): Aggregate depreciation recognised as an expense during the year

	2020	2019
	$	$
Furniture and Fittings	28,474	26,238
I.T. Comm Eqpt and Office Eqpt	5,292	21,356
Office Lease (right-of-use asset)	238,854	-
	272,620	**47,594**

Right-of-use asset

The Centre's lease portfolio includes office leases. The office leases contained options to extend or terminate upon expiry of current lease terms. The extension options and termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

	2020
(i) AASB 16 related amounts recognisted in the Statement of Financial Position:	$
Right-of-use asset	
Office leases	361,017
Accumulated depreciation	(238,854)
Net Carrying amount	**122,163**

	2020
(ii) AASB 16 related amounts recognisted in the Statement of Profit or Loss and Other Comprehensive Income	$
Depreciation charge related to right-of-use asset	238,854
Interest expense on lease liabilities	9,155
	248,009

NOTE 5: TRADE AND OTHER PAYABLES

	2020	2019
	$	$
Current Payables		
Trade Creditors	367,996	274,433
Accrued reorganisational costs	-	300,000
Other accruals	485,559	179,509
Total Current Payables	**853,555**	**753,942**

Notes to the Financial Statements
for the financial year ended 30 June 2020

NOTE 6: PROVISIONS

	2020	2019
	$	$
Current		
Employee Benefits	810,000	760,000
Total Current Provisions	**810,000**	**760,000**
Non-current		
Employee Benefits	45,000	45,000
Total Non-Current Provisions	**45,000**	**45,000**

	Employee benefits	Total Provision
Opening Provisions, July 2019	805,000	805,000
Additions	576,142	576,142
Provision Used	(526,142)	(526,142)
Closing Provisions, June 2020	**855,000**	**855,000**

NOTE 7: FINANCIAL RISK MANAGEMENT

The Centre's financial instruments consist mainly of deposits with banks, term deposits, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the Accounting Policies to these financial statements, are as follows:

	2020	2019
	$	$
Financial Assets		
Cash and Cash Equivalents	7,467,487	7,182,666
Trade and Other Receivables	565,710	395,483
Total Financial Assets	**8,033,197**	**7,578,149**
Financial Liabilities		
Trade and Other Payables	853,555	753,942
Total Financial Liabilities	**853,555**	**753,942**

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

All known contingent assets and/or liabilities, if any, have been provided or otherwise disclosed in the notes to the financial statements.

Notes to the Financial Statements
for the financial year ended 30 June 2020

NOTE 9: CASH FLOW INFORMATION

	2020 $	2019 $
(a) Reconciliation of Cash and Cash Equivalents		
Total Cash and Cash Equivalents disclosed in the Statement of Financial Position	7,467,487	7,182,666
Balance as per Cash Flow Statement	**7,467,487**	**7,182,666**
(b) Reconciliation of Net Result for the Period to Net Cash Flow from Operating Activities		
Net Result for the Reporting Period	**291,098**	**221,727**
Non-Cash Movements:		
Depreciation of Non-Current Assets	33,766	47,594
Amortisation of Right-of-Use Asset	238,854	-
Movements in Assets and Liabilities		
(Increase)/Decrease in Current Receivables	(169,227)	499,766
(Increase)/Decrease in Other Current Assets	11,682	27,064
Increase/(Decrease) in Current Payables	107,768	(67,701)
Increase in Provisions	50,000	318,137
Increase/(Decrease) in Grants in Advance	(35,136)	27,167
Net Cash Flow Used In Operating Activities	**528,805**	**1,073,754**

NOTE 10: CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at Bank and In Hand	3,465,482	1,682,666
Short-Term Bank Deposits	4,002,005	5,500,000
	7,467,487	**7,182,666**

The effective interest rate on short term bank deposits was 1.05% (2019 – 2.10%) with an average maturity of 60 to 90 days.

NOTE 11: KEY MANAGEMENT PERSONNEL REMUNERATON

Total remuneration paid to key management personnel of the Centre during the year are as follows:

	2020 $	2019 $
Short-Term Employee Benefits	650,660	655,329
Post-Employment Benefits	63,840	64,278
	714,500	**719,607**

NOTE 12: REMUNERATION OF AUDITORS

	2020	2019
Remuneration of Auditors for:	**$**	**$**
Auditing Financial Report for Parenting Research Centre	15,000	15,000

Notes to the Financial Statements
for the financial year ended 30 June 2020

NOTE 13: CAPITAL MANAGEMENT
Management control the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The audit committee ensures that the overall risk management strategy is in line with this objective.

NOTE 14: RELATED PARTY TRANSACTIONS
The Centre is one of three consortium entities maintaining the service delivery of the Raising Children Network ("RCN"). The CEO, a member of the Board of Management and a staff member are representing the Centre on the board of RCN. RCN's Statement of Financial Position has no significant impact on the Centre's financials.

NOTE 15: SUBSEQUENT EVENTS
On 11 March 2020, the World Health Organisation declared COVID-19 a global health pandemic. Since that time, there has been unprecedented measures imposed by the Australian government during 2020 which has caused disruption to businesses and economic activity.

These measures, including but not limited to Stage 3 and Stage 4 lockdown restrictions in Victoria, are likely to have an impact on the Centre’s net profit for the year ending 30 June 2021. The Centre considers these events to be non-adjusting post balance sheet and accordingly the financial effects of COVID-19 have not been reflected in the Centre’s financial statements as at 30 June 2020.

Whilst the outbreak of COVID-19 has not had a material impact on the current year results, the Board will continue to monitor the situation as there may be a material impact on the results of the Centre in future financial years.

Except for the event mentioned above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Centre, or the results of those operations in future financial years.

NOTE 16: OTHER DETAILS
The registered office and principal place of business of the Parenting Research Centre is:

Level 5, 232 Victoria Parade
East Melbourne
VIC 3002

Statement by Board of Management

In the opinion of the Board of Management, the Financial Report of the Parenting Research Centre Inc. as set out herewith:

1. Presents a true and fair view of the financial position of the Parenting Research Centre Inc as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standard – Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, the Associations Incorporation Reform Act 2013 and the Australian Charities and Not-for-Profits Commission Act 2013, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standard Board.

2. At the date of this statement, there are reasonable grounds to believe that the Parenting Research Centre Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:

A Hume

T Phillips

Dated this 8th day of October 2020

ShineWing AUSTRALIA
Advisors & Accountants

Take the lead

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARENTING RESEARCH CENTRE INC.

Opinion

We have audited the financial report of Parenting Research Centre Inc. ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- complying 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountant*s ("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.

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	F + 61 3 8102 3400	F + 61 2 8059 6899

Responsibilities of the Directors 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 the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for 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 ability of the Company 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 have no realistic alternative but to do so.

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

We conclude on the appropriateness of the management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Take the lead

ShineWing Australia
Chartered Accountants

Matthew Schofield
Partner

Melbourne, 8 October 2020

Parenting Research Centre

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