

Parenting Research Centre Inc.
Annual Financial Report 2019

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 2019.

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	M Jury	C Smith (appointed Aug 2018)
L Hornsey	G Molyneux	J Whakaari (appointed May 2019)
A Hume	T Philips	

The following members retired during the financial year:

J Alush (retired Nov 2018)
A Roberts (retired Nov 2018)

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.

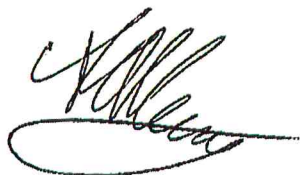
Significant Changes

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

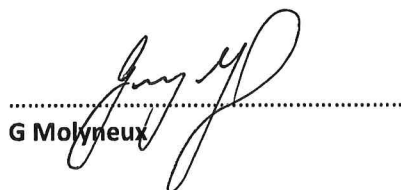
Operating Result

The Centre registered a surplus of \$221,727 for the 2019 financial year (2018: surplus \$19,161).

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



.....
A Hume



.....
G Molyneux

Dated this 14th day of October 2019

Statement of Profit or Loss

For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
INCOME			
Project Grants and Consultancy		12,675,567	12,174,724
Interest		135,122	122,310
Other		45,377	20,829
Total Income		12,856,066	12,317,863
EXPENSES			
Program/Service Delivery	2	5,739,083	5,540,242
Employee Benefits		5,619,906	5,876,572
Occupancy and Overheads	2	1,227,756	841,403
Depreciation and Amortisation	4(b)	47,594	40,485
Total Expenses		12,634,339	12,298,702
SURPLUS/(DEFICIT) FOR THE YEAR	1(a)	221,727	19,161

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	11	7,182,666	6,112,073
Trade and Other Receivables	3	395,483	857,864
Prepayments		30,376	40,699
Total Current Assets		7,608,525	7,010,636
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	55,331	102,933
Total Non-Current Assets		55,331	102,933
Total Assets		7,663,856	7,113,569
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	5	753,942	517,559
Provisions	6	760,000	563,834
Grants Received in Advance		2,394,735	2,367,567
Total Current Liabilities		3,908,677	3,448,960
NON-CURRENT LIABILITIES			
Provisions	6	45,000	176,157
Total Non-Current Liabilities		45,000	176,157
Total Liabilities		3,953,677	3,625,117
Net Assets		3,710,179	3,488,452
EQUITY			
Retained Earnings		3,710,179	3,488,452
Total Equity		3,710,179	3,488,452

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the financial year ended 30 June 2019

	Note	Retained Earnings \$	Total \$
Balance at 30 June 2017		3,469,291	3,469,291
Total surplus for the year		19,161	19,161
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

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants		9,381,274	9,132,770
Interest Received		135,122	122,310
Other		3,050,729	3,750,386
Total Receipts		12,567,125	13,005,466
Payments			
Payments to Suppliers		(6,267,405)	(6,190,433)
Salaries and Wages		(5,225,966)	(5,621,346)
Total Payments		(11,493,371)	(11,811,779)
Net Cash Flows Used In Operating Activities	10(b)	1,073,754	1,193,687
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(3,161)	(63,080)
Net Cash Flows Used In Investing Activities		(3,161)	(63,080)
Net Decrease in Cash and Cash Equivalents		1,070,593	1,130,607
Cash and Cash Equivalents at the beginning of the financial year		6,112,073	4,981,466
Cash and Cash Equivalents at the end of the financial year	10(a)	7,182,666	6,112,073

The accompanying notes from part of these financial statements

Notes to the Financial Statements for the financial year ended 30 June 2019

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.

Accounting Policies

(a) Changes in significant accounting policies

First Time Adoption of AASB 9: Financial Instruments – applicable from 1 July 2018

AASB 9: Financial Instruments replaces AASB 139: Financial Instruments: Recognition and Measurement has been adopted by the entity for the annual period beginning on 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Centre has applied AASB 9 retrospectively with an initial application date of 1 July 2019. Differences arising from the adoption of AASB 9 are not material and therefore comparatives have not been restated. In summary, upon the adoption of AASB 9, the Centre had the following required or elected reclassifications as at 1 July 2018.

Changes in classification on transition to AASB 9

Financial Instruments as at 30 June 2018	AASB 139 classification and measurement	AASB 9 classification and measurement	Carrying Value as at 30 June 2018	Carrying Value at 1 July 2018 upon adoption
Trade and other receivables	Loans and Receivable measured at amortised cost	Amortised Cost	857,864	857,864
Trade and other payables	Amortised cost	Amortised Cost	517,559	517,559
Term Deposits – held to maturity	Held to maturity	Amortised Cost	3,900,000	3,900,000

Notes to the Financial Statements for the financial year ended 30 June 2019

Impairment

Upon adoption of AASB 9 the entity has adopted a forward looking expected credit loss approach. Fundamentally there has been no significant change in the way the entity accounts for its provision for doubtful debtors. Refer to note 1 (g) for more detail in relation to the detailed accounting policies.

(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) Income Recognition

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 Revenue

Non-reciprocal grant revenue is recognised in the statement of 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.

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.

Interest Revenue

Interest is recognised on a time proportionate basis and that takes into account the effective yield on the financial asset.

(d) 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.

(e) 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 comprehensive income.

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.

(f) 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.

Notes to the Financial Statements for the financial year ended 30 June 2019

(f) Property, Plant and Equipment (Con't)

(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 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. Communication Equipment	10% - 33%
Office Equipment and Aids	20%

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

(ii) Depreciation

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 comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(g) Financial Instruments – applicable up to 30 June 2018

(i) Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Centre becomes a party to the contractual provision to the instrument. For financial assets, this is equivalent to the date that the Centre commits itself to either purchase or sell the asset (ie 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 statement of comprehensive income immediately.

Notes to the Financial Statements for the financial year ended 30 June 2019

(g) Financial instruments – applicable up to 30 June 2018 (con't)

(ii) Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

The Centre does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(i) Classification and Subsequent Measurement

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(ii) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(iii) Impairment

At the end of each reporting period, the Centre assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(iv) Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised

Notes to the Financial Statements for the financial year ended 30 June 2019

(g) Financial instruments – applicable up to 30 June 2018 (con't)

where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

(h) Financial instruments – applicable from 1 July 2018

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

(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) Financial assets at amortised cost

Financial asset with contractual cash flows representing solely payments of principal and interest and held within a business model of ‘hold to collect’ contractual cash flows are accounted for at amortised

Notes to the Financial Statements for the financial year ended 30 June 2019

(h) Financial instruments – applicable from 1 July 2018 (con't)

cost using the effective interest method. The Centre's term deposits and trade and receivables fall into this category of financial instruments.

(vi) 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.

(vii) 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 2019, the entity applies a standardised percentage across all debtors under the expected credit loss model.

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

(j) 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.

(k) Leases

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.

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.

(l) 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.

(m) 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.

Notes to the Financial Statements for the financial year ended 30 June 2019

(n) 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.

(o) Comparative figures

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

(p) 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 \$395,483 (2018: \$857,864) 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.

(q) New, revised or amending accounting standards and interpretations adopted

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the entity, together with an assessment of the potential impact of such pronouncements on the entity when adopted in future periods, are discussed below:

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- Recognition of a right to use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- Depreciation of right to use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- By applying a practical expedient, a lessee is permitted to elect not to separate non lease components and instead account for all components as a lease; and
- Additional disclosure requirements.

Notes to the Financial Statements

for the financial year ended 30 June 2019

(q) New, revised or amending accounting standards and interpretations adopted (con't)

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Directors anticipate that the adoption of AASB 16 will have an impact on the entity's financial statements, it is expected that a right-to-use asset and corresponding liability will be recognised on the statement of financial position to the extent of the net present value of future lease payment as per note 15 at the date of adoption.

AASB 15: Revenue from contracts with customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015 8: Amendments to Australian Accounting Standards, Effective Date of AASB 15).

When effective, this standard will replace the current accounting requirements applicable to revenue with a single, principles based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This standard will require retrospective restatement, as well as enhanced disclosures regarding revenue. The entity is in the process of considering the impacts of AASB 15, however early indications are that they are unlikely to have a material impact.

AASB 1058: Income recognition by not-for-profits (NFPs) (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace most of the NFP income recognition requirements in AASB 1004 Contributions. The scope of AASB 1004 is now limited mainly to parliamentary appropriations, administrative arrangements and contributions by owners.

The purpose of AASB 1058 is to more closely recognise NFP income transactions that are not contracts with customers in accordance with their economic reality. AASB 1058 needs to be considered in conjunction with AASB 15 Revenue from contracts with customers which will also apply to NFPs from 2019.

Notes to the Financial Statements for the financial year ended 30 June 2019

(q) New, revised or amending accounting standards and interpretations adopted (con't)

The main impacts of AASB 1058 are:

- The timing of income recognition will depend on whether there is any performance obligation or other liability. This will result in better matching of income related expenses
- All NFP entities can elect to recognise volunteer services if they can be reliably measured
- NFPs lessees will now recognise peppercorn leases as right- of-use assets at fair value.

The transitional provisions of AASB 1058 allows for either full retrospective transition, or a modified retrospective transition. The entity is in the process of considering the impacts of AASB 1058, however early indications are that they are unlikely to have a material impact.

AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation (applicable from 1 January 2019, with earlier application permitted)

The amendments to AASB 9 clarify that a financial asset passes the solely payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The entity is in the process of considering the impacts of the amendment, however early indications are that they will not have a material impact.

AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement (applicable from 1 January 2019, with earlier application permitted)

The amendments to AASB 119 specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The Centre believes that the effects of this amendment to AASB 119 will not have a material impact.

AASB 2017-7 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation (applicable from 1 January 2019, with earlier application permitted)

The amendments clarify that an entity applies AASB 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in AASB 9 applies to such long-term interests.

Notes to the Financial Statements for the financial year ended 30 June 2019

(q) New, revised or amending accounting standards and interpretations adopted (con't)

The Centre believes that the effects of this amendment to AASB 9 will not have a material impact.

*AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
(applicable from 1 January 2019, with earlier application permitted)*

These improvements include:

- AASB 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in AASB 3. The amendments clarify that the previously held interests in that joint operation are not re-measured.

Amendment applies to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

- AASB 123 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

Amendment applies for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

The Centre believes that the effects of this amendment to AASB 11 and 123 will not have a material impact.

Notes to the Financial Statements for the financial year ended 30 June 2019

NOTE 2: EXPENSES

	2019	2018
	\$	\$
Program/Service Delivery		
Service Delivery	4,582,122	4,021,897
Consultancy and Other	1,156,961	1,518,345
Total Program/Service Delivery	5,739,083	5,540,242
Occupancy and Overheads		
Occupancy	371,198	288,344
Communication and I.T.	211,052	203,259
Other Overheads	645,506	349,800
Total Occupancy and Overheads	1,227,756	841,403

NOTE 3: TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Current Receivables		
Trade	299,810	799,576
Deposits	57,396	58,288
Other	38,277	-
Total Trade and Other Receivables	395,483	857,864

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
Furniture and Fittings:		
At cost	365,824	433,066
Less: accumulated depreciation	(315,785)	(359,147)
	50,039	73,919
I.T. Communication Equipment:		
At cost	160,076	278,820
Less: accumulated depreciation	(154,784)	(249,806)
	5,292	29,014
Office Equipment & Aids:		
At cost	3,652	15,779
Less: accumulated depreciation	(3,652)	(15,779)
	-	-
Net Carrying Amount	55,331	102,933

Notes to the Financial Statements for the financial year ended 30 June 2019

NOTE 4(a): Movements in carrying amount

	Furniture and Fittings		I.T. Communication		Office Equipment & Aids		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	73,919	16,320	29,014	62,427	-	-	102,933	78,747
Additions	3,160	64,671	-	-	-	-	3,160	64,671
Disposals	(802)	-	(2,366)	-	-	-	(3,168)	-
Depreciation expense	(26,238)	(7,072)	(21,356)	(33,413)	-	-	(47,594)	(40,485)
Closing balance	50,039	73,919	5,292	29,014	-	-	55,331	102,933

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

	2019	2018
	\$	\$
Furniture and Fittings	26,238	7,072
I.T. Communication Equipment	21,356	33,413
Office Equipment & Aids	-	-
	47,594	40,485

NOTE 5: TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current Payables		
Trade Creditors	274,433	342,134
Accrued reorganisational costs	300,000	-
Other accruals	179,509	175,425
Total Current Payables	753,942	-

NOTE 6: PROVISIONS

	2019	2018
	\$	\$
Current		
Employee Benefits	760,000	563,834
Total Current Provisions	760,000	563,834
Non-current		
Employee Benefits	45,000	176,157
Total Non-Current Provisions	45,000	176,157
	Employee benefits	Total Provisions
Opening Provisions, July 2018	739,991	739,991
Additions	551,683	551,683
Provisions Used	(486,674)	(486,674)
Closing Provisions, June 2019	805,000	805,000

Notes to the Financial Statements for the financial year ended 30 June 2019

NOTE 7: LEASE COMMITMENTS

	2019	2018
	\$	\$
Non-Cancellable Operating Leases Payable		
Contracted but not recognised as liabilities		
- Not longer than 1 year	243,984	235,475
- Longer than 1 year but not longer than 5 years	127,392	371,376
- Longer than 5 years	-	-
Total Leases Payable	371,376	606,851

Operating leases relate to lease of office premises with terms between 3 to 6 years with rent payable monthly in advance.

NOTE 8: FINANCIAL RISK MANAGEMENT

The Centre's financial instruments consist mainly of deposits with banks, term deposits, accounts

The totals for each category of financial instruments, measured in accordance with AASB 139 as

	2019	2018
	\$	\$
Financial Assets		
Cash and Cash Equivalents	7,182,666	6,112,073
Trade and Other Receivables	395,483	857,864
Total Financial Assets	7,578,149	6,969,937
Financial Liabilities		
Trade and Other Payables	753,942	517,559
Total Financial	753,942	517,559

NOTE 9: 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 2019

NOTE 10: CASH FLOW INFORMATION

	2019	2018
	\$	\$
(a) Reconciliation of Cash and Cash Equivalents		
Total Cash and Cash Equivalents disclosed in the Statement of Financial Position	7,182,666	6,112,073
Balance as per Cash Flow Statement	7,182,666	6,112,073
(b) Reconciliation of Net Result for the Period to Net Cash Flow from Operating Activities		
Net Result for the Reporting Period	221,726	19,161
Non-Cash Movements:		
Depreciation and Amortisation of Non-Current Assets	47,594	40,485
Movements in Assets and Liabilities		
(Increase)/Decrease in Current Receivables	499,766	(240,447)
(Increase)/Decrease in Other Current Assets	27,064	155,319
Increase/(Decrease) in Current Payables	(67,701)	81,559
Increase in Provisions	318,137	82,663
Increase in Grants in Advance	27,168	1,054,947
Net Cash Flow Used In Operating Activities	1,073,754	1,193,687

NOTE 11: CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at Bank and In Hand	1,682,666	2,212,073
Short-Term Bank Deposits	5,500,000	3,900,000
	7,182,666	6,112,073

The effective interest rate on short term bank deposits was 2.10% (2018 – 2.15%) with an average maturity of 60 to 90 days.

NOTE 12: KEY MANAGEMENT PERSONNEL REMUNERATION

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

	2019	2018
	\$	\$
Short-Term Employee Benefits	655,329	660,473
Post-Employment Benefits	64,278	54,134
	719,607	714,607

NOTE 13: REMUNERATION OF AUDITORS

	2019	2018
	\$	\$
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 2019

NOTE 14: 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 15: 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 16: SUBSEQUENT EVENTS

There are no subsequent events which have occurred after the reporting date and prior to the authorisation of the report.

NOTE 17: OTHER DETAILS

The registered office and principal place of business of the Parenting Research Centre is:

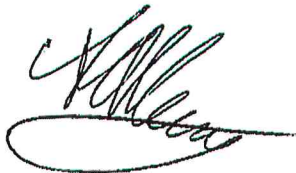
Level 5, 232 Victoria Parade
East Melbourne
VIC 3002

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 2019 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



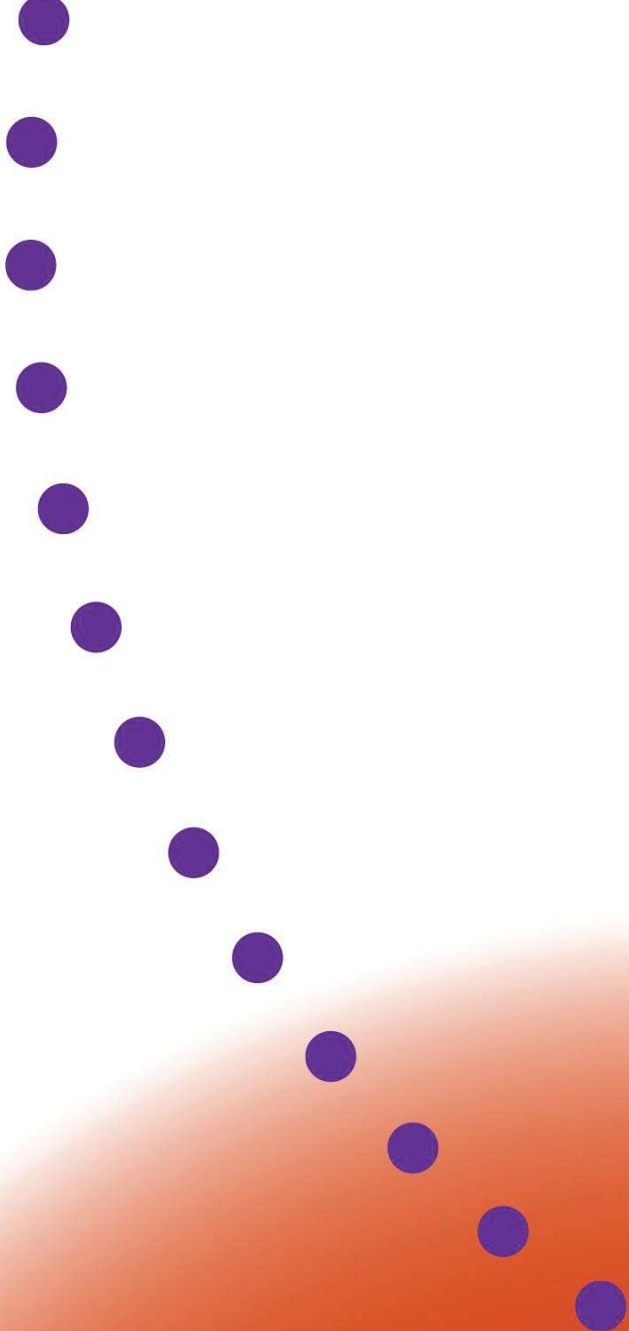
.....
G Molyneux

Dated this 14th day of October 2019

Parenting Research Centre
Level 5, 232 Victoria Parade,
East Melbourne, Victoria
Australia 3002

E: info@parentingrc.org.au
P: +61 3 8660 3500
F: +61 3 8660 3599

www.parentingrc.org.au



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 Entity") which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss, 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 statement by board of management.

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

- a) giving a true and fair view of the Entity's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and
- b) 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 Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The board of management are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Board of Management for the Financial Report

The board of management of the Entity 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 board of management 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 board of management are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of management either intend to liquidate the Entity 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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 to the board of management 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 board of management 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.

ShineWing Australia
Chartered Accountants



Matthew Schofield
Partner

Melbourne, 14 October 2019