

Federation of Parents and Citizens Associations of New South Wales

ABN 37 439 975 796

Financial Statements - 31 May 2020

Federation of Parents and Citizens Associations of New South Wales

Contents

31 May 2020

Statement of comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
Directors' declaration	15
Independent auditor's report to the members of Federation of Parents and Citizens Associations of New South Wales	16

Federation of Parents and Citizens Associations of New South Wales
Statement of comprehensive income
For the year ended 31 May 2020

	Note	2020 \$	2019 \$
Revenue	4	963,867	966,696
Other income	5	502,821	660,919
Expenses			
Representative expenses		(86,552)	(135,144)
Administration expenses		(516,641)	(459,693)
Employee benefits expense		(507,343)	(483,902)
Occupancy expenses		(32,148)	(42,539)
Depreciation and amortisation expense	6	(32,704)	(36,807)
Journal expenses		(43,791)	(42,885)
Other expenses		(17,300)	(16,545)
Surplus before income tax expense		230,209	410,100
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Federation of Parents and Citizens Associations of New South Wales		230,209	410,100
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Federation of Parents and Citizens Associations of New South Wales		<u>230,209</u>	<u>410,100</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Federation of Parents and Citizens Associations of New South Wales
Statement of financial position
As at 31 May 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	7	301,124	771,328
Trade and other receivables	8	59,748	18,613
Financial Investments	9	3,053,905	2,375,848
Other	10	39,868	33,207
Total current assets		<u>3,454,645</u>	<u>3,198,996</u>
Non-current assets			
Property, plant and equipment	11	1,746,077	1,776,995
Intangibles	12	1,897	3,683
Total non-current assets		<u>1,747,974</u>	<u>1,780,678</u>
Total assets		<u>5,202,619</u>	<u>4,979,674</u>
Liabilities			
Current liabilities			
Trade and other payables	13	79,476	21,073
Employee benefits	14	78,019	76,299
Other	15	101,808	170,911
Total current liabilities		<u>259,303</u>	<u>268,283</u>
Non-current liabilities			
Employee benefits	16	9,218	7,502
Total non-current liabilities		<u>9,218</u>	<u>7,502</u>
Total liabilities		<u>268,521</u>	<u>275,785</u>
Net assets		<u>4,934,098</u>	<u>4,703,889</u>
Equity			
Retained surplus		<u>4,934,098</u>	<u>4,703,889</u>
Total equity		<u>4,934,098</u>	<u>4,703,889</u>

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

Federation of Parents and Citizens Associations of New South Wales
Statement of changes in equity
For the year ended 31 May 2020

	Retained surplus \$	Total equity \$
Balance at 1 June 2018	4,293,789	4,293,789
Surplus after income tax expense for the year	410,100	410,100
Other comprehensive income for the year, net of tax	-	-
	<u>410,100</u>	<u>410,100</u>
Total comprehensive income for the year	<u>410,100</u>	<u>410,100</u>
Balance at 31 May 2019	<u>4,703,889</u>	<u>4,703,889</u>
	Retained surplus \$	Total equity \$
Balance at 1 June 2019	4,703,889	4,703,889
Surplus after income tax expense for the year	230,209	230,209
Other comprehensive income for the year, net of tax	-	-
	<u>230,209</u>	<u>230,209</u>
Total comprehensive income for the year	<u>230,209</u>	<u>230,209</u>
Balance at 31 May 2020	<u>4,934,098</u>	<u>4,934,098</u>

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

Federation of Parents and Citizens Associations of New South Wales
Statement of cash flows
For the year ended 31 May 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from members and customers (inclusive of GST)		1,049,273	943,744
Receipts from Government Grants (inclusive of GST)		445,760	414,660
Payments to suppliers and employees (inclusive of GST)		<u>(1,247,302)</u>	<u>(1,298,582)</u>
		247,731	59,822
Interest received		17,448	7,673
Distributions received		<u>84,925</u>	<u>67,924</u>
Net cash from operating activities		<u>350,104</u>	<u>135,419</u>
Cash flows from investing activities			
Payments for investments		(820,308)	(62,431)
Payments for property, plant and equipment	11	<u>-</u>	<u>(4,106)</u>
Net cash used in investing activities		<u>(820,308)</u>	<u>(66,537)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(470,204)	68,882
Cash and cash equivalents at the beginning of the financial year		<u>771,328</u>	<u>702,446</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>301,124</u></u>	<u><u>771,328</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 1. General information

The financial statements cover Federation of Parents and Citizens Associations of New South Wales ("P&C Federation") as an individual entity. The financial statements are presented in Australian dollars, which is Federation of Parents and Citizens Associations of New South Wales' functional and presentation currency.

Federation of Parents and Citizens Associations of New South Wales is a not-for-profit association incorporated under the Parents and Citizens Associations Incorporation Act 1976 NSW.

The financial statements were authorised for issue on 5 August 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The P&C Federation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and Parents and Citizens Associations Incorporation Act 1976 NSW. The P&C Federation is a not-for profit entity for financial reporting purposes under the Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the P&C Federation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Reallocation of prior year expense

In the course of preparing the financial report, it was identified that prior year's investment portfolio advisory fees (2019: \$21,000) were allocated to 'Other expenses'. It was determined that the more correct allocation would be to 'Administrative expenses'. The comparatives have been amended to reflect this reallocation. The reallocation has no impact on prior year results as reported in the financial report.

Revenue recognition

Revenue comprises revenue from the affiliation fees, insurance commission, advertising, sale of goods and government grants. Revenue from major products and services is shown in Note 4.

Revenue is recognised at an amount that reflects the consideration to which P&C Federation is expected to be entitled for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the P&C Federation's different activities have been met. Details of the activity-specific recognition criteria are described below:

Revenue from affiliation income

Affiliation fees are charged to clients for the services to be provided during the year and is apportioned over the P&C Federation's membership year.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 2. Significant accounting policies (continued)

Sale of goods and journal advertising

Revenue from sale of goods and journal advertising is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the P&C Federation obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the P&C Federation 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 P&C Federation 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

Interest revenue is recognised as interest accrues.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The P&C Federation is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the P&C Federation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the P&C Federation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the P&C Federation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the estimated collectable amount, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 2. Significant accounting policies (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the P&C Federation has transferred substantially all the risks and rewards of ownership.

Property, plant and equipment

Buildings are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the buildings. Valuations are performed by external independent valuers, at least once every three years, to ensure the fair value is in excess of the carrying amount.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	10% - 50%
Freehold Improvements	5% - 12.5%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the P&C Federation. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website

Costs associated with the development of the revenue generating and service providing aspects of the website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Trade and other payables

These amounts represent liabilities for goods and services provided to the P&C Federation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 - 60 days of recognition.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

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

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 4. Revenue

	2020	2019
	\$	\$
Affiliation fees	608,039	593,702
Insurance commission	238,179	231,345
Journal advertising	28,425	38,291
Conference income	21,719	34,473
Administration and late fees	2,818	5,312
Sale of goods	2,635	2,366
Sundry income	11,895	20,706
Rental income	50,157	40,501
	<u>963,867</u>	<u>966,696</u>
Revenue	<u>963,867</u>	<u>966,696</u>

The affiliation revenue for the financial year ended 31 May 2019 contains two months overlap from the 2017- 2018 membership period, being June and July 2018, and ten months in the 2018 - 2019 membership period, being August 2018 to May 2019. The remaining two months of the 2018 - 2019 membership period, June and July 2019, have been deferred into the next financial year ending 31 May 2020.

The affiliation revenue for the financial year ended 31 May 2020 contains two months overlap from the 2018 - 2019 membership period, being June and July 2019, and ten months in the 2019 - 2020 membership period, being August 2019 to May 2020. The remaining two months of the 2019 - 2020 membership period, June and July 2020, have been deferred into the next financial year ending 31 May 2021 (refer to Note 15).

Note 5. Other income

	2020	2019
	\$	\$
Net fair value gain on other financial assets	(142,251)	72,541
Grant - NSW Department of Education and Communities	477,501	505,619
Government stimulus	65,198	-
Distributions and interest received	102,373	82,759
	<u>502,821</u>	<u>660,919</u>
Other income	<u>502,821</u>	<u>660,919</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 6. Expenses

	2020	2019
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation expense	30,918	34,832
Amortisation expense	1,786	1,975
Total depreciation and amortisation expense	<u>32,704</u>	<u>36,807</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>47,051</u>	<u>43,904</u>
<i>Government grant expenditure</i>		
NSW Department of Education - Association representation expenses	58,183	180,025
NSW Department of Education - External consultant costs	60,650	19,578
NSW Department of Education - Salaries and wages	358,862	306,016
Total government grant expenditure	<u>477,695</u>	<u>505,619</u>

Note 7. Current assets - cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	165,417	92,906
Cash investment reserves	135,707	678,422
	<u>301,124</u>	<u>771,328</u>

Note 8. Current assets - trade and other receivables

	2020	2019
	\$	\$
Trade receivables	786	-
Other receivables	25,234	11,878
ATO receivable	33,728	6,735
	<u>59,748</u>	<u>18,613</u>

Note 9. Current assets - Financial Investments

	2020	2019
	\$	\$
Investments	<u>3,053,905</u>	<u>2,375,848</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 10. Current assets - other

	2020	2019
	\$	\$
Prepayments	39,443	31,807
Other current assets	425	1,400
	<u>39,868</u>	<u>33,207</u>

Note 11. Non-current assets - property, plant and equipment

	2020	2019
	\$	\$
Buildings - at cost	1,568,226	1,568,226
Freehold improvements - at cost	207,902	207,902
Less: Accumulated depreciation	(38,914)	(24,301)
	<u>168,988</u>	<u>183,601</u>
Plant and equipment - at cost	62,264	62,264
Less: Accumulated depreciation	(53,401)	(37,096)
	<u>8,863</u>	<u>25,168</u>
	<u>1,746,077</u>	<u>1,776,995</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings	Plant and Equipment	Freehold Improvements	Total
	\$	\$	\$	\$
Balance at 1 June 2019	1,568,226	25,168	183,601	1,776,995
Depreciation expense	-	(16,305)	(14,613)	(30,918)
	<u>1,568,226</u>	<u>8,863</u>	<u>168,988</u>	<u>1,746,077</u>

Note 12. Non-current assets - intangibles

	2020	2019
	\$	\$
Website - at cost	4,182	4,182
Less: Accumulated amortisation	(4,182)	(4,181)
	<u>-</u>	<u>1</u>
Software - at cost	7,140	7,140
Less: Accumulated amortisation	(5,243)	(3,458)
	<u>1,897</u>	<u>3,682</u>
	<u>1,897</u>	<u>3,683</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 12. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website \$	Software \$	Total \$
Balance at 1 June 2019	1	3,682	3,683
Amortisation expense	(1)	(1,785)	(1,786)
Balance at 31 May 2020	<u>-</u>	<u>1,897</u>	<u>1,897</u>

Note 13. Current liabilities - trade and other payables

	2020 \$	2019 \$
Trade payables	52,739	12,740
Other payables	26,737	8,333
	<u>79,476</u>	<u>21,073</u>

Note 14. Current liabilities - employee benefits

	2020 \$	2019 \$
Annual leave	58,360	55,428
Long service leave	18,516	16,825
Other employee benefits	1,143	4,046
	<u>78,019</u>	<u>76,299</u>

Note 15. Current liabilities - other

	2020 \$	2019 \$
Deferred revenue	101,808	98,646
Deferred government grants	-	72,265
	<u>101,808</u>	<u>170,911</u>

The financial year ended 31 May 2020 contains a two month overlap from the 2018 - 2019 membership period, being June and July 2019, and ten months in the 2019 - 2020 membership period, being August 2019 to May 2020. The remaining two months of the 2019- 2020 membership period, June and July 2020, have been deferred into the next financial year ending 31 May 2021.

Note 16. Non-current liabilities - employee benefits

	2020 \$	2019 \$
Long service leave	<u>9,218</u>	<u>7,502</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2020

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the P&C Federation is set out below:

	2020	2019
	\$	\$
Aggregate compensation	<u>144,486</u>	<u>114,042</u>

No member of the Board receives directly or indirectly any fees, bonuses, or other remuneration as a consequence of their appointment to the Board.

During the year members of the Board were reimbursed \$8,535 (2019: \$12,243) for costs incurred to carry out their duties as representatives of P&C Federation.

Note 18. Remuneration of auditor

	2020	2019
	\$	\$
Audit Services		
Audit of the financial statements	<u>14,420</u>	<u>14,000</u>

Note 19. Contingent liabilities

During the financial year ended 31 May 2020, no items requiring disclosure of a contingent liability have been identified. (2019: Nil)

Note 20. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 21. Events after the reporting period

Prior to year end, as a result of the global pandemic, COVID-19, there have been government imposed restrictions introduced which include (but not limited to) travel restrictions on individuals travelling to and from Australia, customer limitations for all licensed clubs, bars, cafes and restaurants as well as various social distancing measures for businesses providing non-essential services.

Due to the significant uncertainty and continuous developments associated with COVID-19, management is unable to quantify or estimate the full financial effects of COVID-19 on the P&C Federation at the date of this report.

No other matter or circumstance has arisen since 31 May 2020 that has significantly affected, or may significantly affect the P&C Federation's operations, the results of those operations, or the P&C Federation's state of affairs in future financial years.

Federation of Parents and Citizens Associations of New South Wales
Directors' declaration
31 May 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations and the Parents and Citizens Associations Incorporation Act 1976 NSW;
- the attached financial statements and notes give a true and fair view of the P&C Federation's financial position as at 31 May 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the P&C Federation will be able to pay its debts as and when they become due and payable.

On behalf of the directors



President

5th August 2020

Federation of Parents and Citizens Associations of New South Wales

Independent Auditor's Report to Members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Federation of Parents and Citizens Associations of New South Wales (the Federation), which comprises the statement of financial position as at 31 May 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Federation as at 31 May 2020, and its financial performance and its cash flows for the year then ended in accordance with Parents and Citizens Associations Incorporation Act 1976 NSW.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements of the 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Federation of Parents and Citizens Associations of NSW to meet the requirements of the Parents and Citizens Associations Incorporation Act 1976 NSW. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150

Telephone: +61 2 8263 4000
williambuck.com

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Parents and Citizens Associations Incorporation Act 1976 NSW and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Federation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

<http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>

This description forms part of our independent auditor's report.



William Buck
ABN 16 021 300 521



M.A. Nevill
Partner

Sydney, 12 August 2020

Federation of Parents and Citizens Associations of New South Wales

Disclaimer
31 May 2020

The additional financial data presented in the following pages is in accordance with the books and records of the Federation of Parents and Citizens Associations of New South Wales which have been subjected to the auditing procedures applied in our statutory audit of the entity for the year ended 31 May 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. The commentary in the following pages has not been subjected to audit procedures during our statutory audit of the entity for the year ended 31 May 2020.

Accordingly, we do not express an opinion on the information in the following pages and we give no warranty of accuracy or reliability in respect of the information provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Federation of Parents and Citizens Associations of New South Wales) in respect of such information, including any errors or omissions therein however caused.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

M A Nevill

M A Nevill
Partner

Dated 12 August 2020

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Federation of Parents and Citizens Associations of New South Wales

ABN 37 439 975 796

Detailed Income and Expenditure Statement

31 May 2020

	2020	2019
	\$	\$
Revenue		
Affiliation fees	608,039	593,702
Insurance commission	238,179	231,345
Journal - advertising and subscriptions	28,425	38,291
Conference income	21,719	34,473
Administration and late fees	2,818	5,312
Sale of goods	2,635	2,366
Sundry income	11,895	20,706
Rental Income	50,157	40,501
Revenue - Total	963,867	966,696
Other Income		
Gain/(Loss) on Revaluation of Investments	(142,251)	72,541
Grant - Department of Education	477,501	505,619
Distributions and interest received	102,373	82,759
Government stimulus	65,198	-
Other Income - Total	502,821	660,919
REVENUE - TOTAL	1,466,688	1,627,615
Representative expenses		
Annual conference	30,611	52,777
Annual general meeting	6,683	7,727
Board meetings	20,963	28,871
Federation representation	13,842	20,220
Forums	14,453	25,549
Representative expenses - Total	86,552	135,144
Administration expenses		
Audit fees	14,452	15,766
Election expenses	-	6,301
Forum Expenses	-	577
Insurance - Federation	25,966	21,017
Insurance - Member P&C Associations Public Liability	160,327	171,142
Internet and website	16,764	16,362
IT consultant services	23,226	33,490
Legal fees	121,642	78,141
Recruiting fees	21,800	-
Membership / subscriptions	26,622	28,398
Office equipment lease costs	-	-

This financial statement should be read in conjunction with the attached Disclaimer.

Office telephone	22,384	15,285
Postage and PO Box	2,783	5,700
Professional fees - investments	18,000	27,213
Staff travel, accommodation and meal expenses	-	300
Stationery	2,937	30,423
Strategic Project Costs	59,250	-
Technology software / hardware expenses	488	9,578
Administration expenses - Total	516,641	459,693
Employee benefits expense		
Wages and superannuation	502,266	473,707
Long service leave expense	3,407	5,659
Staff amenities / expenses / recognition	1,670	4,536
Employee benefits expense - Total	507,343	483,902
Occupancy expenses		
Building maintenance and refurbishment	590	750
Cleaning	4,320	4,560
Council rates	2,584	2,516
Electricity	3,855	4,076
Equipment maintenance and expenses	-	3,550
Water and sewerage	107	88
Waste collection / recycling	2,329	2,990
Strata Levy	18,363	24,009
Occupancy expenses - Total	32,148	42,539
Depreciation and amortisation expense	32,704	36,807
Journal expenses		
Journal production	3,127	3,268
Journal printing	23,123	21,424
Journal postage	17,541	18,193
Journal expenses - Total	43,791	42,885
Other expenses		
Bank charges	6,300	5,861
Sponsorship paid	11,000	10,000
Sundry expenses	-	684
Other expenses - Total	17,300	16,545
EXPENSES - TOTAL	1,236,479	1,217,515
Surplus / (Loss) for the year	230,209	410,100

This financial statement should be read in conjunction with the attached Disclaimer.

Federation of Parents and Citizens Associations of New South Wales

ABN 37 439 975 796

Notes

Affiliation fees – P&C member affiliation fees

Insurance commission – Commission on insurance policies purchased by P&C members.

Sundry income – New South Wales Education Standards Authority sitting fees, unidentified insurance deposits and franking credit

Rental income – Rent received

Government stimulus – ATO Cash Boost Injection and JobKeeper payments

Annual conference – (2020) Cost of Award's Night held in place of annual conference for P&C associations across NSW, consisting of guest speakers, awards and exhibitors

(2019) Cost of two-day conference from P&C associations across NSW, consisting of workshops, guest speakers, and exhibitors

Annual general meeting – Cost of holding Annual General Meeting, consisting primarily of travel and accommodation costs.

Board meetings – Cost of holding Board meetings, consisting primarily of travel and accommodation costs.

Federation representation – Cost of personnel representing public school parents on various committees, consisting primarily of travel and accommodation costs.

Forum representation – Out of pocket expenses for conducting parent forums.

Forum expenses – Primarily hire of venues for conducting parent forums.

Insurance – Federation – Cost of various insurances held by the P&C Federation.

Insurance – Member P&C Associations Public Liability – Cost of group public liability insurance policy obtained on behalf of all member P&C Associations.

Internet and website – Current year expense Includes cost of moving website from former provider.

Professional Fees Legal – Cost of review of contracts and policies and P&C member guidance documents.

Professional Fees Investment Advice – Professional advice for formation of P&C Federation investment portfolio.

Strategic Project Costs – eLearning platform costs

Membership / subscriptions – Cost of memberships and subscriptions taken up by P&C Federation.

Bank Charges – General bank account fees, and financial investment cash account fees.

Postage and PO Box – Cost of general mail and locked bags for P&C Federation.

Journal production – Cost of external designer of Journal.

Journal printing – Cost of external printer.