

Federation of Parents and Citizens Associations of New South Wales

ABN 37 439 975 796

Financial Statements - 31 May 2018

Federation of Parents and Citizens Associations of New South Wales

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Federation of Parents and Citizens Associations of New South Wales
Statement of comprehensive income
For the year ended 31 May 2018

	Note	2018 \$	2017 \$
Revenue	4	912,775	910,267
Other income	5	503,766	413,925
Expenses			
Representative expenses		(143,704)	(87,828)
Administration expenses		(420,641)	(493,026)
Employee benefits expense		(483,663)	(474,288)
Occupancy expenses		(91,894)	(177,062)
Depreciation and amortisation expense	6	(29,186)	(10,941)
Journal expenses		(33,107)	(36,420)
Other expenses		(34,341)	(6,680)
Surplus before income tax expense		180,005	37,947
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		180,005	37,947
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>180,005</u>	<u>37,947</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 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	7	702,446	2,973,036
Trade and other receivables	8	6,164	37,122
Financial Investments	9	2,240,876	-
Other	10	30,123	68,170
Total current assets		<u>2,979,609</u>	<u>3,078,328</u>
Non-current assets			
Property, plant and equipment	11	1,807,721	1,598,711
Intangibles	12	5,658	1,236
Total non-current assets		<u>1,813,379</u>	<u>1,599,947</u>
Total assets		<u>4,792,988</u>	<u>4,678,275</u>
Liabilities			
Current liabilities			
Trade and other payables	13	134,250	144,658
Employee benefits	14	62,474	56,616
Other	15	298,878	359,088
Total current liabilities		<u>495,602</u>	<u>560,362</u>
Non-current liabilities			
Employee benefits	16	3,597	4,129
Total non-current liabilities		<u>3,597</u>	<u>4,129</u>
Total liabilities		<u>499,199</u>	<u>564,491</u>
Net assets		<u>4,293,789</u>	<u>4,113,784</u>
Equity			
Retained surplus		<u>4,293,789</u>	<u>4,113,784</u>
Total equity		<u>4,293,789</u>	<u>4,113,784</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 2018

	Reserves \$	Retained surplus \$	Total equity \$
Balance at 1 June 2016	-	4,075,837	4,075,837
Surplus after income tax expense for the year	-	37,947	37,947
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	37,947	37,947
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2017	-	4,113,784	4,113,784
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Reserves \$	Retained surplus \$	Total equity \$
Balance at 1 June 2017	-	4,113,784	4,113,784
Surplus after income tax expense for the year	-	180,005	180,005
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	180,005	180,005
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2018	-	4,293,789	4,293,789
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from members and customers (inclusive of GST)		931,296	1,006,310
Receipts from Government Grants (inclusive of GST)		414,660	404,547
Payments to suppliers and employees (inclusive of GST)		<u>(1,205,712)</u>	<u>(1,376,759)</u>
		140,244	34,098
Interest received		<u>46,814</u>	<u>26,408</u>
Net cash from operating activities		<u>187,058</u>	<u>60,506</u>
Cash flows from investing activities			
Payments for investments		(2,210,762)	-
Payments for property, plant and equipment	11	(241,505)	(1,593,462)
Payments for intangibles	12	(7,140)	-
Proceeds from disposal of property, plant and equipment		<u>1,759</u>	<u>2,222,000</u>
Net cash from/(used in) investing activities		<u>(2,457,648)</u>	<u>628,538</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(2,270,590)	689,044
Cash and cash equivalents at the beginning of the financial year		<u>2,973,036</u>	<u>2,283,992</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>702,446</u></u>	<u><u>2,973,036</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 2018

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 16 August 2018. 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.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the P&C Federation and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

Note 2. Significant accounting policies (continued)

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 provision for impairment. 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.

Other receivables are recognised at amortised cost, less any provision for impairment.

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.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

Note 2. Significant accounting policies (continued)

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:

Fixtures and Fittings	12.5%
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.

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.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

Note 2. Significant accounting policies (continued)

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.

Note 4. Revenue

	2018	2017
	\$	\$
Affiliation fees	590,326	615,462
Insurance commission	234,258	237,875
Journal advertising	33,393	33,946
Conference income	37,291	-
Administration and late fees	9,408	7,022
Sale of goods	2,411	3,128
Sundry income	5,688	4,305
Rental income	-	8,529
	<hr/>	<hr/>
Revenue	<u>912,775</u>	<u>910,267</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

Note 4. Revenue (continued)

The affiliation revenue for the financial year ended 31 May 2017 contains two months overlap from the 2015 - 2016 membership period, being June and July 2016, and ten months in the 2016 - 2017 membership period, being August 2016 to May 2017. The remaining two months of the 2016 - 2017 membership period, June and July 2017, have been deferred into the next financial year ending 31 May 2018.

The affiliation revenue for the financial year ended 31 May 2018 contains two months overlap from the 2016 - 2017 membership period, being June and July 2017, and ten months in the 2017 - 2018 membership period, being August 2017 to May 2018. The remaining two months of the 2017 - 2018 membership period, June and July 2018, have been deferred into the next financial year ending 31 May 2019 (refer to Note 15).

Note 5. Other income

	2018	2017
	\$	\$
Net fair value gain on other financial assets	30,114	-
Grant - NSW Department of Education and Communities	432,725	379,272
Interest received	40,927	34,653
	<u>503,766</u>	<u>413,925</u>
Other income	<u>503,766</u>	<u>413,925</u>

Note 6. Expenses

	2018	2017
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation expense	26,468	9,896
Amortisation expense	2,718	1,045
	<u>29,186</u>	<u>10,941</u>
Total depreciation and amortisation expense	<u>29,186</u>	<u>10,941</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	44,382	34,500
	<u>44,382</u>	<u>34,500</u>
<i>Bad and doubtful debts</i>		
Bad and doubtful debt expense	-	2,331
	<u>-</u>	<u>2,331</u>
<i>Government grant expenditure</i>		
NSW Department of Education - Association representation expenses	98,765	126,255
NSW Department of Education - External consultant costs	36,344	22,184
NSW Department of Education - Salaries and wages	301,287	230,833
	<u>436,396</u>	<u>379,272</u>
Total government grant expenditure	<u>436,396</u>	<u>379,272</u>

Note 7. Current assets - cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank	133,694	961,940
Cash on deposit	-	2,011,096
Cash investment reserves	568,752	-
	<u>702,446</u>	<u>2,973,036</u>
	<u>702,446</u>	<u>2,973,036</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

Note 8. Current assets - trade and other receivables

	2018	2017
	\$	\$
Trade receivables	-	10,500
Less: Provision for impairment of receivables	-	(2,331)
	<u>-</u>	<u>8,169</u>
Other receivables	2,358	8,245
GST receivable	3,806	20,708
	<u>6,164</u>	<u>37,122</u>

Note 9. Current assets - Financial Investments

	2018	2017
	\$	\$
Investment in shares	<u>2,240,876</u>	<u>-</u>

Note 10. Current assets - other

	2018	2017
	\$	\$
Prepayments	28,525	66,370
Other current assets	1,598	1,800
	<u>30,123</u>	<u>68,170</u>

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

	2018	2017
	\$	\$
Buildings - at cost	1,568,226	1,568,226
Freehold improvements - at cost	207,902	-
Less: Accumulated depreciation	(9,688)	-
	<u>198,214</u>	<u>-</u>
Plant and equipment - at cost	58,158	106,913
Less: Accumulated depreciation	(16,877)	(76,428)
	<u>41,281</u>	<u>30,485</u>
Fixtures and fittings - at cost	-	15,254
Less: Accumulated depreciation	-	(15,254)
	<u>-</u>	<u>-</u>
	<u>1,807,721</u>	<u>1,598,711</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

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

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 2017	1,568,226	30,485	-	1,598,711
Additions	-	33,605	207,902	241,507
Disposals	-	(6,029)	-	(6,029)
Depreciation expense	-	(16,780)	(9,688)	(26,468)
Balance at 31 May 2018	<u>1,568,226</u>	<u>41,281</u>	<u>198,214</u>	<u>1,807,721</u>

Note 12. Non-current assets - intangibles

	2018 \$	2017 \$
Website - at cost	4,182	4,182
Less: Accumulated amortisation	(3,991)	(2,946)
	<u>191</u>	<u>1,236</u>
Software - at cost	7,140	-
Less: Accumulated amortisation	(1,673)	-
	<u>5,467</u>	<u>-</u>
	<u>5,658</u>	<u>1,236</u>

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 2017	1,236	-	1,236
Additions	-	7,140	7,140
Amortisation expense	(1,045)	(1,673)	(2,718)
Balance at 31 May 2018	<u>191</u>	<u>5,467</u>	<u>5,658</u>

Note 13. Current liabilities - trade and other payables

	2018 \$	2017 \$
Trade payables	111,098	134,628
Other payables	23,152	10,030
	<u>134,250</u>	<u>144,658</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

Note 14. Current liabilities - employee benefits

	2018	2017
	\$	\$
Annual leave	45,003	42,196
Long service leave	15,071	13,876
Other employee benefits	2,400	544
	<u>62,474</u>	<u>56,616</u>

Note 15. Current liabilities - other

	2018	2017
	\$	\$
Deferred revenue	97,958	102,407
Deferred government grants	200,920	256,681
	<u>298,878</u>	<u>359,088</u>

The financial year ended 31 May 2018 contains a two month overlap from the 2016 - 2017 membership period, being June and July 2017, and ten months in the 2017 - 2018 membership period, being August 2017 to May 2018. The remaining two months of the 2017 - 2018 membership period, June and July 2018, have been deferred into the next financial year ending 31 May 2019.

Note 16. Non-current liabilities - employee benefits

	2018	2017
	\$	\$
Long service leave	<u>3,597</u>	<u>4,129</u>

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:

	2018	2017
	\$	\$
Aggregate compensation	<u>113,673</u>	<u>108,084</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 \$29,541 (2017: \$49,686) for costs incurred to carry out their duties as representatives of P&C Federation.

Note 18. Remuneration of auditor

	2018	2017
	\$	\$
Audit Services		
Audit of the financial statements	<u>13,500</u>	<u>11,000</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2018

Note 19. Contingent liabilities

During the financial year ended 31 May 2018, a Work Health and Safety (WHS) complaint was raised against a current member of the board of the Federation of Parents and Citizens Associations of NSW. To balance date, a total of \$14,369 (Incl. GST) in legal fees have been incurred and paid in relation to this legal issue. The outcome of the case has not been finalised as of reporting date, as such an estimate of further contingent liabilities cannot be recognised. There were no contingent liabilities present for the year ended 31 May 2017.

Note 20. Commitments

	2018	2017
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	35,000

Note 21. 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 22. Events after the reporting period

No matter or circumstance has arisen since 31 May 2018 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 2018

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 2018 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

A handwritten signature in black ink, appearing to read 'Susie Boyd', is written over a horizontal line.

President - Susie Boyd

22 August 2018

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 Association), which comprises the statement of financial position as at 31 May 2018, 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 Association as at 31 May 2018, 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

CHARTERED ACCOUNTANTS & ADVISORS

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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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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.

A handwritten signature in black ink that reads 'William Buck'.

William Buck

ABN 16 021 300 521

A handwritten signature in black ink that reads 'M.A. Nevill'.

M.A. Nevill

Partner

Sydney, 22 August 2018

Federation of Parents and Citizens Associations of New South Wales

Disclaimer

31 May 2018

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 2018. 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 2018.

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

ABN 16 021 300 521



M.A. Nevill

Partner

Dated, 22 August 2018

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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 2018

	2018	2017
Revenue	\$	\$
Affiliation fees	590,326	615,462
Insurance commission	234,258	237,875
Journal - advertising and subscriptions	33,393	33,946
Conference income	37,291	-
Administration and late fees	9,408	7,022
Sale of goods	2,411	3,128
Sundry income	5,688	4,305
Rental Income	-	8,529
Revenue - Total	912,775	910,267
Other Income		
Gain/(Loss) on Revaluation of Investments	30,114	-
Grant - Department of Education	432,725	379,272
Interest received	40,927	34,653
Other Income - Total	503,766	413,925
REVENUE - TOTAL	1,416,541	1,324,192
Representative expenses		
Annual conference	73,176	-
Annual general meeting	11,212	10,847
Board meetings	31,725	25,107
Executive meetings	1,009	9,320
Federation representation	22,427	35,700
Forums	4,155	6,854
Representative expenses - Total	143,704	87,828
Administration expenses		
Audit fees	13,500	11,000
Forum Expenses	418	7,404
Insurance – Federation	24,212	20,621
Insurance – Member P&C Associations Public Liability	158,797	172,727
Internet and website	3,900	9,249
IT consultant services	60,654	50,545
Legal fees	55,581	40,964
Membership / subscriptions	53,540	11,738
Office equipment lease costs	2,732	95,461
Office telephone	16,489	13,686
Postage and PO Box	3,326	5,276
Postage franking machine lease expenses	-	17,913
Professional fees - property	3,850	23,721
Professional services - staff recruitment	6,303	-

Federation of Parents and Citizens Associations of New South Wales

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Property valuation fees	-	1,362
Professional fees - investments	7,000	2,000
Stationery	1,834	5,728
Technology software / hardware expenses	8,505	666
Public Relations	-	160
Teleconferencing	-	2,805
Administration expenses - Total	420,641	493,026
Employee benefits expense		
Wages and superannuation	476,412	407,077
Long service leave expense	5,644	1,477
Staff amenities / expenses / recognition	1,607	1,785
Contract staff	-	63,949
Employee benefits expense - Total	483,663	474,288
Occupancy expenses		
Building maintenance and refurbishment	550	-
Cleaning	4,326	8,971
Council rates	2,486	1,937
Electricity	5,689	9,805
Equipment maintenance and expenses	1,116	2,148
Rent	50,298	140,930
Water and sewerage	174	9
Waste collection / recycling	5,276	674
Strata Levy	21,979	12,588
Occupancy expenses - Total	91,894	177,062
Depreciation and amortisation expense	29,186	10,941
Journal expenses		
Journal production	2,156	8,487
Journal printing	17,332	19,344
Journal postage	13,619	8,589
Journal expenses - Total	33,107	36,420
Other expenses		
Bad and doubtful debts expense	-	2,331
Bank charges	19,587	4,228
Loss on Disposal of Plant	4,270	-
Sponsorship paid	10,000	-
Sundry expenses	484	121
Other expenses - Total	34,341	6,680
EXPENSES - TOTAL	1,236,536	1,286,245
Surplus (Loss) for the year	180,005	37,947

Federation of Parents and Citizens Associations of New South Wales

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Notes

Affiliation fees – P&C member affiliation fees, declining from prior year due to changes in length of membership year in prior year

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

Sundry income – Board of Studies sitting fees, unidentified insurance deposits. Consideration for disposed furniture from Granville property.

Rental income – Rent received for recently acquired Parramatta property

Annual conference – 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.

Executive meetings – Cost of holding Executive meetings, consisting primarily of travel and communication 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.

Election expenses – Cost of holding elections and by-elections of Councillors, Delegates, Executive and Office-bearers.

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.

IT consultant services – Current year expense includes cost of moving to new IT provider in January 2017.

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

Professional Fees Property – Professional assistance in identification of new property for P&C Federation.

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

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.

Postage franking machine payout costs – Cost of early termination of leases of postage franking machine.

Property negotiation fees – Cost of independent property sale negotiators for sale of Granville property.

Property valuation fees – Independent property valuation of potential property purchases.

Teleconferencing – Costs moved to office telephone expense line in the current year.

Conference Income - Annual P&C conference held by the Federation, includes attendance fees and other income from attendees

Conference Charges - Annual P&C conference held by the Federation, includes cost of venue and function expenses.

Contract staff – Cost of casual staff to meet temporary needs following staff resignations and prior to hiring replacement staff.

Rent – Rent paid for occupying building at 41 Cowper Street, Granville, after sale.

Federation of Parents and Citizens Associations of New South Wales

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Strata Levy – New cost item due to acquisition of strata-titled commercial property in Parramatta.

Journal production – Cost of external designer of Journal, with accompanying change of provider in current year.

Journal printing – Cost of external printer, with accompanying change of provider in current year.