

Federation of Parents and Citizens Associations of New South Wales

ABN 37 439 975 796

Financial Statements - 31 May 2019

Federation of Parents and Citizens Associations of New South Wales

Contents

31 May 2019

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 2019

	Note	2019 \$	2018 \$
Revenue	4	966,696	912,775
Other income	5	660,919	503,766
Expenses			
Representative expenses		(135,144)	(143,704)
Administration expenses		(438,693)	(420,641)
Employee benefits expense		(483,902)	(483,663)
Occupancy expenses		(42,539)	(91,894)
Depreciation and amortisation expense	6	(36,807)	(29,186)
Journal expenses		(42,885)	(33,107)
Other expenses		(37,545)	(34,341)
Surplus before income tax expense		410,100	180,005
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		410,100	180,005
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>410,100</u>	<u>180,005</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 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	7	771,328	702,446
Trade and other receivables	8	18,613	6,164
Financial Investments	9	2,375,848	2,240,876
Other	10	33,207	30,123
Total current assets		<u>3,198,996</u>	<u>2,979,609</u>
Non-current assets			
Property, plant and equipment	11	1,776,995	1,807,721
Intangibles	12	3,683	5,658
Total non-current assets		<u>1,780,678</u>	<u>1,813,379</u>
Total assets		<u>4,979,674</u>	<u>4,792,988</u>
Liabilities			
Current liabilities			
Trade and other payables	13	21,073	134,250
Employee benefits	14	76,299	62,474
Other	15	170,911	298,878
Total current liabilities		<u>268,283</u>	<u>495,602</u>
Non-current liabilities			
Employee benefits	16	7,502	3,597
Total non-current liabilities		<u>7,502</u>	<u>3,597</u>
Total liabilities		<u>275,785</u>	<u>499,199</u>
Net assets		<u>4,703,889</u>	<u>4,293,789</u>
Equity			
Retained surplus		<u>4,703,889</u>	<u>4,293,789</u>
Total equity		<u>4,703,889</u>	<u>4,293,789</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 2019

	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/>
	Reserves \$	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	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	410,100	410,100
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2019	-	4,703,889	4,703,889
	<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 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from members and customers (inclusive of GST)		943,744	931,296
Receipts from Government Grants (inclusive of GST)		414,660	414,660
Payments to suppliers and employees (inclusive of GST)		<u>(1,298,582)</u>	<u>(1,205,712)</u>
		59,822	140,244
Interest received		7,673	189
Distributions received		<u>67,924</u>	<u>46,625</u>
Net cash from operating activities		<u>135,419</u>	<u>187,058</u>
Cash flows from investing activities			
Payments for investments		(62,431)	(2,210,762)
Payments for property, plant and equipment	11	(4,106)	(241,505)
Payments for intangibles	12	-	(7,140)
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>1,759</u>
Net cash used in investing activities		<u>(66,537)</u>	<u>(2,457,648)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		68,882	(2,270,590)
Cash and cash equivalents at the beginning of the financial year		<u>702,446</u>	<u>2,973,036</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>771,328</u></u>	<u><u>702,446</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 2019

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 14 August 2019. 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 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.

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.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2019

Note 2. Significant accounting policies (continued)

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.

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

Note 2. Significant accounting policies (continued)

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:

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.

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 2019

Note 4. Revenue

	2019	2018
	\$	\$
Affiliation fees	593,702	590,326
Insurance commission	231,345	234,258
Journal advertising	38,291	33,393
Conference income	34,473	37,291
Administration and late fees	5,312	9,408
Sale of goods	2,366	2,411
Sundry income	20,706	5,688
Rental income	40,501	-
	<u>966,696</u>	<u>912,775</u>

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.

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 (refer to Note 15).

Note 5. Other income

	2019	2018
	\$	\$
Net fair value gain on other financial assets	72,541	30,114
Grant - NSW Department of Education and Communities	505,619	432,725
Distributions and interest received	82,759	40,927
	<u>660,919</u>	<u>503,766</u>

Note 6. Expenses

	2019	2018
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation expense	34,832	26,468
Amortisation expense	1,975	2,718
	<u>36,807</u>	<u>29,186</u>
Total depreciation and amortisation expense		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	43,904	44,382
	<u>43,904</u>	<u>44,382</u>
<i>Government grant expenditure</i>		
NSW Department of Education - Association representation expenses	180,025	98,765
NSW Department of Education - External consultant costs	19,578	36,344
NSW Department of Education - Salaries and wages	306,016	301,287
	<u>505,619</u>	<u>436,396</u>
Total government grant expenditure		

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2019

Note 7. Current assets - cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank	92,906	133,694
Cash investment reserves	678,422	568,752
	<u>771,328</u>	<u>702,446</u>

Note 8. Current assets - trade and other receivables

	2019	2018
	\$	\$
Other receivables	11,878	2,358
GST receivable	6,735	3,806
	<u>18,613</u>	<u>6,164</u>

Note 9. Current assets - Financial Investments

	2019	2018
	\$	\$
Investments	<u>2,375,848</u>	<u>2,240,876</u>

Note 10. Current assets - other

	2019	2018
	\$	\$
Prepayments	31,807	28,525
Other current assets	1,400	1,598
	<u>33,207</u>	<u>30,123</u>

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

	2019	2018
	\$	\$
Buildings - at cost	1,568,226	1,568,226
Freehold improvements - at cost	207,902	207,902
Less: Accumulated depreciation	(24,301)	(9,688)
	<u>183,601</u>	<u>198,214</u>
Plant and equipment - at cost	62,264	58,158
Less: Accumulated depreciation	(37,096)	(16,877)
	<u>25,168</u>	<u>41,281</u>
	<u>1,776,995</u>	<u>1,807,721</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2019

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 2018	1,568,226	41,281	198,214	1,807,721
Additions	-	4,106	-	4,106
Depreciation expense	-	(20,219)	(14,613)	(34,832)
Balance at 31 May 2019	<u>1,568,226</u>	<u>25,168</u>	<u>183,601</u>	<u>1,776,995</u>

Note 12. Non-current assets - intangibles

	2019 \$	2018 \$
Website - at cost	4,182	4,182
Less: Accumulated amortisation	(4,181)	(3,991)
	<u>1</u>	<u>191</u>
Software - at cost	7,140	7,140
Less: Accumulated amortisation	(3,458)	(1,673)
	<u>3,682</u>	<u>5,467</u>
	<u>3,683</u>	<u>5,658</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 2018	191	5,467	5,658
Amortisation expense	(190)	(1,785)	(1,975)
Balance at 31 May 2019	<u>1</u>	<u>3,682</u>	<u>3,683</u>

Note 13. Current liabilities - trade and other payables

	2019 \$	2018 \$
Trade payables	12,740	111,098
Other payables	8,333	23,152
	<u>21,073</u>	<u>134,250</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2019

Note 14. Current liabilities - employee benefits

	2019	2018
	\$	\$
Annual leave	55,428	45,003
Long service leave	16,825	15,071
Other employee benefits	4,046	2,400
	<u>76,299</u>	<u>62,474</u>

Note 15. Current liabilities - other

	2019	2018
	\$	\$
Deferred revenue	98,646	97,958
Deferred government grants	72,265	200,920
	<u>170,911</u>	<u>298,878</u>

The financial year ended 31 May 2019 contains a two month 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.

Note 16. Non-current liabilities - employee benefits

	2019	2018
	\$	\$
Long service leave	<u>7,502</u>	<u>3,597</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:

	2019	2018
	\$	\$
Aggregate compensation	<u>114,042</u>	<u>113,673</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 \$12,243 (2018: \$29,541) for costs incurred to carry out their duties as representatives of P&C Federation.

Note 18. Remuneration of auditor

	2019	2018
	\$	\$
Audit Services		
Audit of the financial statements	<u>14,000</u>	<u>13,500</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2019

Note 19. Contingent liabilities

During the financial year ended 31 May 2019, no items requiring disclosure of a contingent liability have been identified. The contingent liabilities present for the year ended 31 May 2018 have been resolved given that the complaint raised was subsequently withdrawn.

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

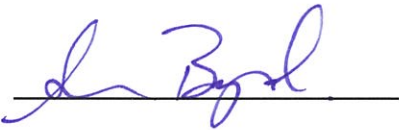
No matter or circumstance has arisen since 31 May 2019 that has significantly affected, or may significantly affect the P&C Federation's operations, the results of those operations, or the P&C Federation's state of affairs in future financial years.

Federation of Parents and Citizens Associations of New South Wales
Directors' declaration
31 May 2019

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 2019 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

14 August 2019

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 2019, 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 2019, 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
Chartered Accountants
ABN 16 021 300 521



M A Nevill
Partner

Sydney, 14 August 2019

Federation of Parents and Citizens Associations of New South Wales

Disclaimer

31 May 2019

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 2019. 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 2019.

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, 14 August 2019

CHARTERED ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000

Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150

PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500

williambuck.com

Federation of Parents and Citizens Associations of New South Wales

ABN 37 439 975 796

Detailed Income and Expenditure Statement

31 May 2019

	2019	2018
Revenue	\$	\$
Affiliation fees	593,702	590,326
Insurance commission	231,345	234,258
Journal - advertising and subscriptions	38,291	33,393
Conference income	34,473	37,291
Administration and late fees	5,312	9,408
Sale of goods	2,366	2,411
Sundry income	20,706	5,688
Rental Income	40,501	-
Revenue - Total	966,696	912,775
Other Income		
Gain/(Loss) on Revaluation of Investments	72,541	30,114
Grant - Department of Education	505,619	432,725
Distributions and interest received	82,759	40,927
Other Income - Total	660,919	503,766
REVENUE - TOTAL	1,627,615	1,416,541
Representative expenses		
Annual conference	52,778	73,176
Annual general meeting	7,727	11,212
Board meetings	28,871	31,725
Executive meetings	-	1,009
Federation representation	20,219	22,427
Forums	25,549	4,155
Representative expenses - Total	135,144	143,704
Administration expenses		
Audit fees	15,766	13,500
Election expenses	6,301	-
Forum Expenses	577	418
Insurance - Federation	21,017	24,212
Insurance - Member P&C Associations Public Liability	171,142	158,797
Internet and website	16,362	3,900
IT consultant services	33,490	60,654
Legal fees	78,141	55,581
Membership / subscriptions	28,398	53,540
Office equipment lease costs	-	2,732
Office telephone	15,285	16,489
Postage and PO Box	5,700	3,326
Professional fees - property	-	3,850

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

Professional services - staff recruitment	-	6,303
Professional fees - investments	6,213	7,000
Staff travel, accommodation and meal expenses	300	-
Stationery	30,423	1,834
Technology software / hardware expenses	9,578	8,505
Administration expenses - Total	438,693	420,641
Employee benefits expense		
Wages and superannuation	473,707	476,412
Long service leave expense	5,659	5,644
Staff amenities / expenses / recognition	4,536	1,607
Employee benefits expense - Total	483,902	483,663
Occupancy expenses		
Building maintenance and refurbishment	750	550
Cleaning	4,560	4,326
Council rates	2,516	2,486
Electricity	4,076	5,689
Equipment maintenance and expenses	3,550	1,116
Rent	-	50,298
Water and sewerage	88	174
Waste collection / recycling	2,990	5,276
Strata Levy	24,009	21,979
Occupancy expenses - Total	42,539	91,894
Depreciation and amortisation expense	36,807	29,186
Journal expenses		
Journal production	3,268	2,156
Journal printing	21,424	17,332
Journal postage	18,193	13,619
Journal expenses - Total	42,885	33,107
Other expenses		
Bank charges	26,861	19,587
Loss on Disposal of Plant	-	4,270
Sponsorship paid	10,000	10,000
Sundry expenses	684	484
Other expenses - Total	37,545	34,341
EXPENSES - TOTAL	1,217,515	1,236,536
Surplus / (Loss) for the year	410,100	180,005

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

Rental income – Rent received

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.

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.

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.