

Federation of Parents and Citizens Associations of New South Wales

ABN 37 439 975 796

Financial Statements - 31 May 2021

Federation of Parents and Citizens Associations of New South Wales

Contents

31 May 2021

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Federation of Parents and Citizens Associations of New South Wales
Statement of comprehensive income
For the year ended 31 May 2021

	Note	2021 \$	2020 \$
Revenue	4	958,238	963,867
Other income	5	713,890	437,623
Government Stimulus		131,182	65,198
Expenses			
Representative expenses		(42,549)	(86,552)
Administration expenses		(489,500)	(516,641)
Employee benefits expense		(581,719)	(507,343)
Occupancy expenses		(43,786)	(32,148)
Depreciation and amortisation expense	6	(24,523)	(32,704)
Journal expenses		(51,715)	(43,791)
Other expenses		(27,718)	(17,300)
Surplus before income tax expense		541,800	230,209
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		541,800	230,209
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		1,214,774	-
Other comprehensive income for the year, net of tax		1,214,774	-
Total comprehensive income for the year attributable to the members of Federation of Parents and Citizens Associations of New South Wales		<u>1,756,574</u>	<u>230,209</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 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	7	311,955	301,124
Trade and other receivables	8	23,908	59,748
Financial Investments	9	3,713,832	3,053,905
Other	10	36,224	39,868
Total current assets		<u>4,085,919</u>	<u>3,454,645</u>
Non-current assets			
Property, plant and equipment	11	2,957,423	1,746,077
Intangibles	12	112	1,897
Total non-current assets		<u>2,957,535</u>	<u>1,747,974</u>
Total assets		<u>7,043,454</u>	<u>5,202,619</u>
Liabilities			
Current liabilities			
Trade and other payables	13	113,080	79,476
Employee benefits	14	77,374	78,019
Other	15	150,057	101,808
Total current liabilities		<u>340,511</u>	<u>259,303</u>
Non-current liabilities			
Employee benefits	16	12,271	9,218
Total non-current liabilities		<u>12,271</u>	<u>9,218</u>
Total liabilities		<u>352,782</u>	<u>268,521</u>
Net assets		<u>6,690,672</u>	<u>4,934,098</u>
Equity			
Revaluation reserve		1,214,774	-
Retained surplus		5,475,898	4,934,098
Total equity		<u>6,690,672</u>	<u>4,934,098</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 2021

	Revaluation reserve \$	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	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	230,209	230,209
Balance at 31 May 2020	<hr/>	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Revaluation reserve \$	Retained surplus \$	Total equity \$
Balance at 1 June 2020	-	4,934,098	4,934,098
Surplus after income tax expense for the year	-	541,800	541,800
Other comprehensive income for the year, net of tax	1,214,774	-	1,214,774
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	1,214,774	541,800	1,756,574
Balance at 31 May 2021	<hr/>	<hr/>	<hr/>
	<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 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members and customers (inclusive of GST)		1,070,280	1,049,273
Receipts from government grants (inclusive of GST)		456,904	445,760
Receipts from government stimulus (exclusive of GST)		131,182	65,198
Payments to suppliers and employees (inclusive of GST)		<u>(1,295,207)</u>	<u>(1,312,500)</u>
		363,159	247,731
Interest received		41	17,448
Distributions received		<u>47,226</u>	<u>84,925</u>
Net cash from operating activities		<u>410,426</u>	<u>350,104</u>
Cash flows from investing activities			
Payments for investments		(380,285)	(820,308)
Payments for property, plant and equipment	11	<u>(19,310)</u>	<u>-</u>
Net cash used in investing activities		<u>(399,595)</u>	<u>(820,308)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		10,831	(470,204)
Cash and cash equivalents at the beginning of the financial year		<u>301,124</u>	<u>771,328</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>311,955</u></u>	<u><u>301,124</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 2021

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 30 July 2021. 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

Revenue from sale of goods 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 2021

Note 2. Significant accounting policies (continued)

Journal advertising

Revenue from journal advertising is recognised in the year in which the Federation meets the performance obligation, which is where an advertisement is published in the journals.

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.

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.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2021

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 shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Increases in the carrying amounts arising on revaluation of buildings are credited in other comprehensive income through to the asset revaluation reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

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 2021

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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the P&C Federation based on known information. This consideration extends to the nature of the services offered, staffing and geographic regions in which the P&C Federation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the P&C Federation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 2021

Note 4. Revenue

	2021	2020
	\$	\$
Affiliation fees	595,081	608,039
Insurance commission	237,650	238,179
Journal advertising	21,760	28,425
Conference income	19,091	21,719
Administration and late fees	3,364	2,818
Sale of goods	2,597	2,635
Sundry income	8,393	11,895
Rental income	50,035	50,157
Zoom license income	20,267	-
	<u>958,238</u>	<u>963,867</u>

The affiliation fees revenue for each financial year ending 31 May contains two months overlap due to the membership period covering August to July. The remaining two months of each membership period (June and July) are deferred into the next financial year (refer to Note 15).

Note 5. Other income

	2021	2020
	\$	\$
Net fair value gain on other financial assets	279,642	(142,251)
Grant - NSW Department of Education and Communities	386,981	477,501
Distributions and interest received	47,267	102,373
	<u>713,890</u>	<u>437,623</u>

Note 6. Expenses

	2021	2020
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation expense	22,737	30,918
Amortisation expense	1,785	1,786
	<u>24,522</u>	<u>32,704</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	49,774	47,051
	<u>49,774</u>	<u>47,051</u>
<i>Government grant expenditure</i>		
NSW Department of Education - Association representation expenses	123,271	58,183
NSW Department of Education - External consultant costs	63,539	60,650
NSW Department of Education - Salaries and wages	278,407	358,862
	<u>465,217</u>	<u>477,695</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2021

Note 7. Current assets - cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	286,241	165,417
Cash investment reserves	25,714	135,707
	<u>311,955</u>	<u>301,124</u>

Note 8. Current assets - trade and other receivables

	2021	2020
	\$	\$
Trade receivables	-	786
Other receivables	7,371	25,234
ATO receivable	16,537	33,728
	<u>23,908</u>	<u>59,748</u>

Note 9. Current assets - Financial Investments

	2021	2020
	\$	\$
Investments	<u>3,713,832</u>	<u>3,053,905</u>

Note 10. Current assets - other

	2021	2020
	\$	\$
Prepayments	36,025	39,443
Other current assets	199	425
	<u>36,224</u>	<u>39,868</u>

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

	2021	2020
	\$	\$
Building - at independent valuation	<u>2,783,000</u>	<u>1,568,226</u>
Freehold improvements - at cost	207,902	207,902
Less: Accumulated depreciation	(53,527)	(38,914)
	<u>154,375</u>	<u>168,988</u>
Plant and equipment - at cost	78,548	62,264
Less: Accumulated depreciation	(58,500)	(53,401)
	<u>20,048</u>	<u>8,863</u>
	<u>2,957,423</u>	<u>1,746,077</u>

The P&C Federation has obtained independent valuation as at 31 May 2021. Based on the valuation, the building is valued at \$11,500 - \$13,000 per m2. The Board has opted for the lower end of the valuation range and revalued the building to \$2,783,000 as at 31 May 2021.

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2021

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 2020	1,568,226	8,863	168,988	1,746,077
Additions	-	19,310	-	19,310
Revaluation increments	1,214,774	-	-	1,214,774
Depreciation expense	-	(8,125)	(14,613)	(22,738)
Balance at 31 May 2021	<u>2,783,000</u>	<u>20,048</u>	<u>154,375</u>	<u>2,957,423</u>

Note 12. Non-current assets - intangibles

	2021 \$	2020 \$
Software - at cost	7,140	7,140
Less: Accumulated amortisation	<u>(7,028)</u>	<u>(5,243)</u>
	<u>112</u>	<u>1,897</u>

Reconciliations

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

	Software \$	Total \$
Balance at 1 June 2020	1,897	1,897
Amortisation expense	<u>(1,785)</u>	<u>(1,785)</u>
Balance at 31 May 2021	<u>112</u>	<u>112</u>

Note 13. Current liabilities - trade and other payables

	2021 \$	2020 \$
Trade payables	94,837	52,739
Other payables	<u>18,243</u>	<u>26,737</u>
	<u>113,080</u>	<u>79,476</u>

Note 14. Current liabilities - employee benefits

	2021 \$	2020 \$
Annual leave	56,268	58,360
Long service leave	19,417	18,516
Other employee benefits	<u>1,689</u>	<u>1,143</u>
	<u>77,374</u>	<u>78,019</u>

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2021

Note 15. Current liabilities - other

	2021 \$	2020 \$
Deferred revenue - Journal income	14,929	-
Deferred revenue - Affiliation fees	98,791	101,808
Deferred revenue - Zoom subscriptions	7,951	-
Deferred government grants	28,386	-
	<u>150,057</u>	<u>101,808</u>

The financial year ended 31 May 2021 contains a two month overlap from the 2019 - 2020 membership period, being June and July 2020, and ten months in the 2020 - 2021 membership period, being August 2020 to May 2021. The remaining two months of the 2020 - 2021 membership period, June and July 2021, have been deferred into the next financial year ending 31 May 2022.

Note 16. Non-current liabilities - employee benefits

	2021 \$	2020 \$
Long service leave	<u>12,271</u>	<u>9,218</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:

	2021 \$	2020 \$
Aggregate compensation	<u>162,377</u>	<u>144,486</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 \$3,027 (2020: \$8,535) for costs incurred to carry out their duties as representatives of P&C Federation.

Note 18. Remuneration of auditor

	2021 \$	2020 \$
Audit Services		
Audit of the financial statements	<u>14,420</u>	<u>14,420</u>

Note 19. Contingent liabilities

During the financial year ended 31 May 2021, no items requiring disclosure of a contingent liability have been identified. (2020: Nil)

Federation of Parents and Citizens Associations of New South Wales
Notes to the financial statements
31 May 2021

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

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Federation due to the gain on investments and government stimulus received during the year up to 31 May 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 May 2021 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 2021

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 2021 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



Tim Spencer

President

Friday 30 July 2021

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 2021, the statement of profit or loss and other 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 2021, 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 (including Independence Standards)* (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.

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

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

In preparing the financial report, management are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend 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
Accountants & Advisors
ABN 16 021 300 521



M.A. Nevill
Partner

Sydney, 30 July, 2021

Federation of Parents and Citizens Associations of New South Wales

Disclaimer
31 May 2021

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 2021. 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 2021.

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
Accountants & Advisors
ABN 16 021 300 521



M.A. Nevill
Partner

Sydney, 30 July 2021

ACCOUNTANTS & ADVISORS

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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 2021

	2021	2020
Revenue	\$	\$
Affiliation fees	595,081	608,039
Insurance commission	237,650	238,179
Journal - advertising and subscriptions	21,760	28,425
Conference income	19,091	21,719
Administration and late fees	3,364	2,818
Sale of goods	2,597	2,635
Sundry income	8,393	11,895
Rental Income	50,035	50,157
Zoom License Income	20,267	-
Revenue - Total	958,238	963,867
Other Income		
Grant - Department of Education	386,981	477,501
Distributions and interest received	47,267	102,373
Gain/(Loss) on Revaluation of Investments	279,642	(142,251)
Other Income - Total	713,890	437,623
Government stimulus	131,182	65,198
REVENUE - TOTAL	1,803,310	1,466,688
Representative expenses		
Annual conference	20,812	30,610
Annual general meeting	804	6,683
Board meetings	10,361	20,963
Federation representation	4,291	13,843
Forums	6,281	14,453
Representative expenses - Total	42,549	86,552
Administration expenses		
Audit fees	14,420	14,452
Election expenses	-	-
Forum Expenses	-	-
Insurance - Federation	24,214	25,966
Insurance - Member P&C Associations Public Liability	160,000	160,327
Internet and website	44,139	16,764
IT consultant services	24,466	23,226
Legal fees	71,635	121,642
Recruiting fees	-	21,800
Membership / subscriptions	12,661	26,622

This Detailed Income and Expenditure Statement should be read in conjunction with the attached Disclaimer.

Office equipment lease costs	-	-
Office telephone	17,828	22,384
Postage and PO Box	1,650	2,783
Professional Fees	7,820	-
Professional fees - investments	19,977	18,000
Staff travel, accommodation and meal expenses	-	-
Stationery	2,131	2,937
Strategic Project Costs	69,539	59,250
Technology software / hardware expenses	1,423	488
Zoom License Costs	17,597	-
Administration expenses - Total	489,500	516,641
Employee benefits expense		
Wages and superannuation	572,171	502,266
Long service leave expense	3,954	3,407
Staff amenities / expenses / recognition	5,594	1,670
Employee benefits expense - Total	581,719	507,343
Occupancy expenses		
Building maintenance and refurbishment	2,398	590
Cleaning	4,329	4,320
Council rates	3,385	2,584
Electricity	4,056	3,855
Equipment maintenance and expenses	2,658	-
Water and sewerage	89	107
Waste collection / recycling	2,625	2,329
Strata Levy	24,246	18,363
Occupancy expenses - Total	43,786	32,148
Depreciation and amortisation expense	24,523	32,704
Journal expenses		
Journal production	23,772	3,127
Journal printing	17,478	23,123
Journal postage	10,465	17,541
Journal expenses - Total	51,715	43,791
Other expenses		
Public Education Foundation grant	11,000	11,000
Bank charges	5,905	6,300
Sundry expenses	813	-
Donation	10,000	-
Other expenses - Total	27,718	17,300
EXPENSES - TOTAL	1,261,510	1,236,479
Surplus / (Loss) for the year	541,800	230,209

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

Zoom License Income – Zoom licenses sold to Members

Government stimulus – ATO Cash Boost Injection and JobKeeper payments

Annual conference – Cost of Award's Night held in place of annual conference for P&C associations across NSW during 2020 and 2021, consisting of guest speakers, awards 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

Zoom License Costs – Cost of Zoom licenses sold to Members

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.