

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION

ABN 56 993 962 007

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
ABN 56 993 962 007

COMMITTEE'S REPORT

Your committee members submit the financial statements of Chatswood Public School P&C Association for the year ended 30 September, 2019.

COMMITTEE MEMBERS

The names of committee members throughout the year and at the date of this report are:

Andrea Austin
Irene Chan
Kate Pereira
Su Hill
Shing Ka
Jo Hurley

Joe Grundy
Pearl Chan
Sue Low
Paul Battaglia
Aimee Ipson Pflederer

PRINCIPAL ACTIVITIES

The Chatswood Public School Parents and Citizens (P&C) Association is essentially a parent group made up of members from our school community. Our meetings provide a forum where parents can discuss initiatives and work together as a parent body to improve any aspect of school life for our children.


SIGNIFICANT CHANGES

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

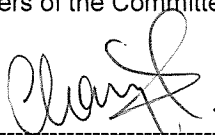
OPERATING RESULT

The result amounted to a deficit of \$17,720.

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



Andrea Austin – President



Pearl Chan – Treasurer

Dated this 7th day of February, 2020

TINWORTH & Co

CHARTERED ACCOUNTANTS and BUSINESS ADVISORS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION

Qualified Opinion

We have audited the attached financial report of Chatswood Public School P&C Association ("the Association") which comprises the statement of financial position as at 30 September 2019, the income and expenditure statement for the year then ended, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory notes, and the certification by the members of the committee on the annual statements giving a true and fair view of the financial position and performance of the Association.

In our opinion, except for the matter referred to in the Basis of Qualified Opinion below, the accompanying financial report of the Chatswood Public School P&C Association is in accordance with the Associations Incorporation Act NSW 2009, including:

1. giving a true and fair view of the Association's financial position as at 30 September 2019 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards , and the Associations Incorporation Regulations NSW 2009.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for Chatswood Public School P&C Association to maintain an effective system of internal control over donations and subscriptions and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to cash receipts was limited to amounts recorded in the books.

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 Committee in accordance with the auditor independence requirements of the Associations Incorporation Act NSW 2009 and the ethical requirements of the Accounting Professional and Ethical Standard 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 of our qualified opinion.

Responsibilities of the Executive Committee for the financial report

The committee are responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporations Act NSW 2009 and is appropriate to meet the needs of the members. The committees' responsibility also includes such internal control as the committee determine is necessary to enable the preparation of a 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, the committee are 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 the members either intend to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibility

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.

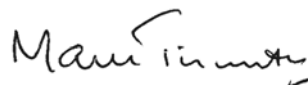
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the Association's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieved fair representation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Basis of accounting and restriction on distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Executive Committee to meet the requirements of the Associations Incorporation Act NSW 2009. As a result, the financial report may not be suitable for other purposes.



MARK TINWORTH
CHARTERED ACCOUNTANT

North Sydney 14th February 2020

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
ABN 56 993 962 007


STATEMENT BY MEMBERS OF THE COMMITTEE


The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the accompanying financial statements:

1. presents a true and fair view of the financial position of the Chatswood Public School P&C Association as at 30 September 2019 and its performance for the year ended on that date
2. at the date of this statement, there are reasonable grounds to believe that the Chatswood Public School P&C Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:


Andrea Austin - President


Pearl Chan - Treasurer

Dated this 7th day of February, 2020

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
ABN 56 993 962 007

INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 \$	2018 \$
INCOME			
Event Income		4,646	20,047
Moon Festival Income		61,691	55,852
Transfer from Sub-Committees		40,000	80,000
Voluntary Contribution		177,830	185,900
Interest		16,353	11,339
Sundry		-	958
TOTAL INCOME		300,520	354,096
EXPENSES			
Accounting/ Audit Fees		13,817	15,683
Contribution – Learning Support		125,674	175,354
Contribution to CPS		85,000	102,890
Depreciation Expense		18,300	17,502
Fundraising Expenses		4,925	4,376
Grounds Expenses		15,820	13,485
Insurance		7,937	5,090
Living Costs – Confucius Teacher		7,900	6,909
Moon Festival Expenses		26,958	34,104
Subscriptions		8,149	5,070
Sundry Expenses		3,760	(744)
Workers' Compensation		-	1,008
TOTAL EXPENSES		318,240	380,727
OPERATING SURPLUS	2	(17,720)	(26,631)
FROM ORDINARY ACTIVITIES			
Income tax expense	1	-	-
Operating surplus after income tax		(17,720)	(26,631)
Accumulated surplus at the beginning of the financial year		536,582	563,213
Accumulated surplus at the end of the financial year	9	518,862	536,582

The accompanying notes form part of the financial statements.

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
ABN 56 993 962 007

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 \$	2018 \$
CURRENT ASSET			
Cash	3	689,012	688,606
Receivables	4	4,546	8,172
Other Current Assets	5	<u>3,326</u>	<u>3,831</u>
TOTAL CURRENT ASSETS		<u>696,884</u>	<u>700,609</u>
NON CURRENT ASSETS			
Office Equipment	6	<u>-</u>	<u>18,300</u>
TOTAL NON CURRENT ASSETS		<u>-</u>	<u>18,300</u>
TOTAL ASSETS		<u>696,884</u>	<u>718,909</u>
CURRENT LIABILITIES			
Payables	7	<u>8,022</u>	<u>37,327</u>
TOTAL CURRENT LIABILITIES		<u>8,022</u>	<u>37,327</u>
NON CURRENT LIABILITES			
Payables	8	<u>170,000</u>	<u>145,000</u>
TOTAL NON CURRENT LIABILITIES		<u>170,000</u>	<u>145,000</u>
TOTAL LIABILITIES		<u>178,022</u>	<u>182,327</u>
NET ASSETS		<u>518,862</u>	<u>536,582</u>
ASSOCIATION RESERVES			
Accumulated Surplus	9	<u>518,862</u>	<u>536,582</u>
TOTAL ASSOCIATION RESERVES		<u>518,862</u>	<u>536,528</u>

The accompanying notes form part of the financial statements.

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
ABN 56 993 962 007

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW. The Committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act NSW 20019, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimated and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

Basis of Preparation

This financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of this financial report.

a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

b) Fixed Assets

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over their estimated useful lives using the prime cost method.

Depreciation rates used for each class of depreciable assets are as follow:

Office Furniture and Equipment	7.5% - 40%
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New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Association. The Association has decided not to early adopt any of the new and amended pronouncements. The Association's assessment of the new and amended pronouncements that are relevant to the Association but applicable in future reporting periods is set out below:

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
ABN 56 993 962 007

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2019).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Association on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognize gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedge accounting that will allow greater flexibility in the ability to hedge non-financial items. Should the Association elect to change its hedge policies in line with the new hedge accounting requirements of the standard, the application of such accounting would be largely prospective.

Although the committee members anticipate that the adoption of AASB 9 may have an impact on the Association's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-For-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019) and AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2019)

As at the reporting date, the directors have concluded that the impact of AASB 1058 and AASB 15 on the financial statements would not be material.

The Association has chosen not to early-adopt AASB 1058 and AASB 15. However, the Association has conducted a high-level assessment of the impact of these new Standards, as follows.

A core change under AASB 1058 and AASB 15 is that focus shifts from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. AASB 1058 is applicable when an Association receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the Association to further its objectives.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue arising from contracts with customers should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the Association to acquire or construct a recognisable non-financial asset that is to be controlled by the Association) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the Association satisfies its obligations under the transfer.

AASB 15 applies where there is an "enforceable" contract with a customer with "sufficiently specific" performance obligations which results in income being recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. AASB 15 introduces a five-step approach to revenue recognition which is far more prescriptive than AASB 118: Revenue.

AASB 15 and AASB 1058 will be applied by the Association from its mandatory adoption date of 1 July 2019.

The Association does not expect any significant impact on its financial statements arising from the change in income recognition requirements for donations and bequests, capital grants and contributed assets. Nonetheless, from 2020, additional disclosures will be required under AASB 15 and AASB 1058.

- AASB 2018-8: Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

For leases that have significantly below-market terms and conditions principally to enable the Company to further its objectives (commonly known as "peppercorn"/concessionary leases), AASB 2018-8 provides a temporary option for not-for-profit lessees to elect to measure a class (or classes) of right-of-use assets arising at initial recognition either at fair value or cost.

When the Association elects to measure the class of right-of-use assets at cost, additional qualitative and quantitative disclosures are required and this shall include:

- the Association's dependence on these peppercorn/concessionary leases; and
- the nature and terms of the leases.

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	\$	\$
2. OPERATING SURPLUS		
Surplus / (Deficit) on Operations	(34,074)	(37,970)
Interest Received	16,353	11,339
Operating Surplus / (Deficit) from Ordinary Activities	<u>(17,721)</u>	<u>(26,631)</u>
3. CASH		
Cash at Bank	30,269	37,950
Cash On Deposit	658,743	650,656
	<u>689,012</u>	<u>688,606</u>
4. RECEIVABLES		
Trade Debtors	3,131	891
Interest Receivable	1,415	7,282
	<u>4,546</u>	<u>8,172</u>
5. OTHER CURRENT ASSETS		
Prepayments	3,326	3,831
	<u>3,326</u>	<u>3,831</u>
6. OFFICE EQUIPMENT		
Office Equipment	36,983	36,983
Less Provision for Depreciation	(36,983)	(18,683)
	<u>-</u>	<u>18,300</u>
7. PAYABLES		
Trade Creditors	9,831	37,865
GST	(1,809)	(538)
	<u>8,022</u>	<u>37,327</u>

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	\$	\$
8. PAYABLES		
Payable to Uniform	70,000	70,000
Payable to Canteen	<u>100,000</u>	<u>75,000</u>
	<u>170,000</u>	<u>145,000</u>
9. ACCUMULATED SURPLUS		
Accumulated Surplus at the beginning of the year	536,582	563,213
Net Surplus/(Deficit) attributable to the association	<u>(17,720)</u>	<u>(26,631)</u>
Accumulated Surplus at the end of the year	<u>518,862</u>	<u>536,582</u>

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

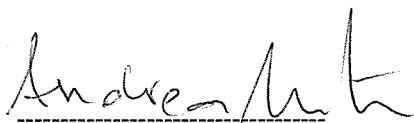
	2019	2018
	\$	\$
Cash flow from operating activities		
Members' & customers' receipts	282,195	319,771
Interest received	22,218	4,059
Payments to suppliers	(329,007)	(335,620)
Net Cash Generated from Operating Activities	(24,594)	(11,790)
Cash flow from investing activities		
Payments to property, plant & equipment	-	(13,901)
Net Cash Generated from Investing Activities	-	(13,901)
Cash flow from financing activities		
Loans from related parties	25,000	145,000
Net Increase/(Decrease) in Cash Held	406	119,309
Cash at the beginning of the financial year	688,606	569,297
Cash at the end of the financial year	3 689,012	688,606
 Reconciliation of surplus (deficit) from ordinary activities after income tax with net cash flows from operations		
Net surplus (deficit) after income tax	(17,720)	(26,631)
Non-cash flows:		
Depreciation	18,300	17,502
Changes in assets and liabilities		
Decrease (increase) in receivables	3,626	(30,266)
Decrease (increase) in other assets	505	(1,568)
Increase (decrease) in payables	(29,305)	29,173
Cash flow from operations	(24,594)	(11,790)

CHATSWOOD PUBLIC SCHOOL P&C ASSOCIATION
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CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Andrea Austin of 5 Centennial Avenue, Chatswood, and I, Pearl Chan of 5 Centennial Avenue, Chatswood certify that:

1. We are members of the committee of Chatswood Public School P&C Association.
2. We attended the annual general meeting of the association held on *26th November, 2019*
3. We are authorised by a resolution of the committee to sign this certificate.
4. This annual statement was submitted to the members of the association at its annual general meeting.


Andrea Austin - President


Pearl Chan - Treasurer

Dated this *7th* day of *February, 2020*