

STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC
ABN 11 595 639 789

Financial Statements
For the year ended 31 December 2017

MARK WALMSLEY CHARTERED ACCOUNTANT
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STOCKTON 2295

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STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC ABN 11 595 639 789

Trading Account

For the year ended 31 December 2017

	2017	2016
	\$	\$
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Trading Income		
Sales	58,138	62,650
Total Trading Income	<u>58,138</u>	<u>62,650</u>
Cost of Sales		
Add:		
Opening finished goods	398	286
Purchases	34,669	27,054
	<u>35,068</u>	<u>27,341</u>
Less:		
Closing stock - Canteen	326	398
	<u>326</u>	<u>398</u>
Cost of Sales	34,742	26,942
Gross Profit from Trading	<u><u>23,396</u></u>	<u><u>35,708</u></u>

The accompanying notes form part of these financial statements.

STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC ABN 11 595 639 789**Income and Expenditure Statement
For the year ended 31 December 2017**

	2017 \$	2016 \$
Income		
Trading profit	23,396	35,708
Donations & sponsorships		5,000
Insurance recovery		422
Interest - Greater	3	2
Interest - Term Deposit	16	20
Fundraising	11,102	29,110
Membership fees	26	26
Sundry income	372	670
Year 6 farewell	5,054	3,237
Total income	<u>39,969</u>	<u>74,196</u>
Expenses		
Audit fees	550	550
Bank fees & charges	21	25
Courses & awards		1,490
Depreciation	180	111
Fines & penalties	180	180
Fundraising	6,181	18,111
Insurance & affiliation	1,541	1,458
Postage & stationery	150	121
Repairs & maintenance	120	263
Subscriptions	665	743
Sundry expenses		130
Superannuation	2,531	2,742
Wages	27,349	29,267
Year 6 farewell	6,765	2,766
Total expenses	<u>46,233</u>	<u>57,957</u>
Profit (loss) from ordinary activities	(6,264)	16,239
School donations & equipment replaced	(5,039)	(3,209)
Total changes in equity of the association	<u>(11,303)</u>	<u>13,030</u>

The accompanying notes form part of these financial statements.

STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC ABN 11 595 639 789

**Income and Expenditure Statement
For the year ended 31 December 2017**

	2017	2016
	\$	\$
Opening retained profits	24,703	11,673
Net profit (loss) attributable to the association	<u>(11,303)</u>	<u>13,030</u>
Closing retained profits	<u><u>13,400</u></u>	<u><u>24,703</u></u>

The accompanying notes form part of these financial statements.

STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC ABN 11 595 639 789**Income and Expenditure Statement - P & C**

For the year ended 31 December 2017

	2017	2016
	\$	\$
Income		
Donations & sponsorships		5,000
Interest - Greater	3	2
Interest - Term Deposit	16	20
Fundraising	11,102	29,110
Membership fees	26	26
Sundry income	372	670
Year 6 farewell	5,054	3,237
Total income	<u>16,573</u>	<u>38,065</u>
Expenses		
Audit fees	550	550
Bank fees & charges		15
Courses & awards		1,490
Fundraising	6,181	18,111
Insurance & affiliation	802	802
Postage & stationery	150	121
Subscriptions	585	743
Sundry expenses		130
Year 6 farewell	6,765	2,766
Total expenses	<u>15,033</u>	<u>24,728</u>
Profit from ordinary activities	1,539	13,337
School donations & equipment replaced	<u>(5,039)</u>	<u>(3,209)</u>
Total changes in equity of the association	<u>(3,500)</u>	<u>10,129</u>

The accompanying notes form part of these financial statements.

STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC ABN 11 595 639 789

Canteen

**Income and Expenditure Statement
For the year ended 31 December 2017**

	2017	2016
	\$	\$
Income		
Trading profit	23,396	35,708
Insurance recovery		422
Total income	<u>23,396</u>	<u>36,130</u>
Expenses		
Bank fees & charges	21	10
Depreciation	180	111
Fines & penalties	180	180
Insurance & affiliation	739	656
Repairs & maintenance	120	263
Subscriptions	80	
Superannuation	2,531	2,742
Wages	27,349	29,267
Total expenses	<u>31,200</u>	<u>33,229</u>
Profit (loss) from ordinary activities	<u>(7,804)</u>	<u>2,902</u>
Total changes in equity of the association	<u>(7,804)</u>	<u>2,902</u>

The accompanying notes form part of these financial statements.

STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC ABN 11 595 639 789

Detailed Balance Sheet as at 31 December 2017

	2017	2016
	\$	\$
Current Assets		
Cash Assets		
Greater - 715989573	9,517	13,765
Greater Term - 717843495	2,170	2,154
Greater Canteen - 716192288	2,032	9,721
Greater Visa - 721971945	3	
	<u>13,722</u>	<u>25,640</u>
Inventories		
Finished goods - Canteen	326	398
	<u>326</u>	<u>398</u>
Total Current Assets	<u>14,048</u>	<u>26,039</u>
Non-Current Assets		
Property, Plant and Equipment		
Plant & equipment - at cost	3,626	3,112
Less: Accumulated depreciation	(2,575)	(2,395)
	<u>1,051</u>	<u>717</u>
Total Non-Current Assets	<u>1,051</u>	<u>717</u>
Total Assets	<u>15,099</u>	<u>26,755</u>

The accompanying notes form part of these financial statements.

Note 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 Incorporations Act of New South Wales. The committee has determined that the association is not a reporting entity.

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

(a) Income Tax

The association is exempt from income tax.

(b) Property, Plant and Equipment (PPE)

The canteen plant & equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(d) Revenue and Other Income

Fundraising and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

(e) Goods and Services Tax (GST)

The Association is not registered and is not required to register for GST.

STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC ABN 11 595 639 789

Statement by Members of the Committee

For the year ended 31 December 2017

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 Income and Expenditure Statement, Statement of Financial Position, and Notes to the Financial Statements:

1. Presents fairly the financial position of STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC as at 31 December 2017 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 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:



President



Treasurer

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of STOCKTON PUBLIC SCHOOL P & C ASSOCIATION INC (the association), which comprises the Statement by Members of the Committee, Income and Expenditure Statement, Balance Sheet as at 31 December 2017, a summary of significant accounting policies and the certification by 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 raised in the Basis for Qualified Opinion paragraph the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 31 December 2017 and [of] its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act 2009.

Basis for Qualified Opinion

As is common for organisations of this type it is not practicable to maintain an effective system of control over donations and fundraising income until their entry into the financial records. Accordingly our audit is limited to the amounts recorded.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our 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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of Associations Incorporation Act 2009. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act 2009 and for such internal control as the committee 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, the committee is responsible for assessing the association'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 the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 for our opinion. The risk of not detecting a 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the 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 achieves fair presentation.

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.

Signed on: 23 February, 2018

Mark Walmsley
Registered Company Auditor

MARK WALMSLEY *B Comm. CA*
CHARTERED ACCOUNTANT

ABN: 91 918 334 370

Committee Members
Stockton Public School
P & C Association Inc
STOCKTON NSW 2295

23 February 2018

Dear Committee Members

I am writing to inform you that I have completed compilation and auditing of Stockton Public School P & C Association financial statements for the year ended 31 December 2017.

The financial records maintained by the association were generally of a high standard and bank reconciliations were completed on a regular basis using MYOB software.

The financial report therefore includes combined Income and Expenditure Statement in addition to separate reports for the canteen and the association.

The P & C and canteen made a combined operating loss for the year (after donations to the school) in the amount of \$11,303 (P & C \$3,500 loss and canteen \$7,804 loss) I advise that the committee should closely monitor the cash flows of the association and control over all expenses to ensure the long term viability of the organisation.

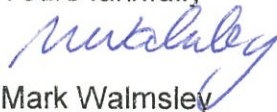
The canteen sales decreased by \$4,512 yet purchases increased by \$7,615, and the gross profit for the period was 40% (compared with 57% for the previous period), this warrants some investigation and potential price increases should be discussed and purchasing policies reviewed with the aim to increase the canteen's trading performance.

It was noted that invoices chosen during audit testing of expenditure were all sighted.

I have also enclosed my invoice for professional services.

Should the committee wish to discuss any matters in relation to the financial statements please feel free to give me a call.

Yours faithfully


Mark Walmsley