

Prisoners' Aid Association of New South Wales Inc

ABN 25 756 574 465

Special Purpose Financial Statements

Year End 30 June 2023

Prisoners' Aid Association of New South Wales Inc
Officers' report
30 June 2023

The officers present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2023.

Officers

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Tim Laporte
Margaret Anderson
Lauren Osbich
Frank Burke

Committee members

The following persons were committee members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Albert Eichholzer
Tanya McCabe (appointed July 2023)
Sue Hogan

Objectives

The objective of the incorporated association is to provide quality services to both people held in NSW correctional centres and those returning to the community.
Provision of quality services will result in enhancing the opportunities for people returning to the community to not re-offend.

Strategy for achieving the objectives

The incorporated association currently provides property services (Mates Storage) under our Inmate Property Services contract with the Department of Communities and Justice, we provide work readiness training and work experience through our Mates on the Move social enterprise and provide life skills, education and training through our Mates for Life education program.

Principal activities

During the financial year the Association conducted 2 principal activities:

Inmate Property Services (Mates Storage) – collection, storage and return of property for inmates held in New South Wales correctional centres.

Mates on the Move – A social enterprise providing people returning to the community with training, qualifications and work experience.

The fundraising activities of the incorporated association are critical to sustainability of our services.

Performance measures

The incorporated association measures its performance in terms of services provided to its client group and its ability to sustain and scale these services with the support of fundraising activities.

Prisoners' Aid Association of New South Wales Inc
Officers' report
30 June 2023

On behalf of the officers



Tim Laporte
President

13 February 2024
Sydney

Prisoners' Aid Association of New South Wales Inc

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General information

The financial statements cover the Prisoners Aid Association of New South Wales (Inc) as an individual entity. The financial statements are presented in Australian dollars, which is the Prisoners Aid Association of New South Wales (Inc) functional and presentation currency.

The Prisoners Aid Association of New South Wales (Inc) is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Silverwater Correctional Complex
Holker St
Silverwater 2118

Principal place of business

Silverwater Correctional Complex
Holker St
Silverwater 2118

A description of the nature of the incorporated association's operations and its principal activities are included in the officers' report, which is not part of the financial statements.

The financial statements were authorised for issue on 13 February 2024.

Prisoners' Aid Association of New South Wales Inc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Service revenue	3	749,177	419,672
Government assistance (Job keeper and Cashflow boost)		-	64,505
Other income	3	134,956	71,515
Expenses			
Cost of goods sold	4	(899,259)	(603,286)
Other expenses	4	(902)	(4,239)
		-----	-----
Surplus / (Deficit) before income tax expense		(16,028)	(51,833)
Income tax expense		-	-
		-----	-----
Surplus / (Deficit) after income tax expense for the year		(16,028)	(51,833)
Other comprehensive income for the year, net of tax		-	-
		-----	-----
Total comprehensive income for the year		<u>(16,028)</u>	<u>(51,833)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Prisoners' Aid Association of New South Wales Inc
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	120,652	310,843
Trade and other receivables	6	533,977	70,065
Other Assets		-	3,036
Total current assets		<u>654,629</u>	<u>383,944</u>
Non-current assets			
Investments IAG		3,893	3,893
Property, plant and equipment		2,625	4,494
Total non-current assets		<u>6,518</u>	<u>8,387</u>
Total assets		<u>661,147</u>	<u>392,331</u>
Liabilities			
Current liabilities			
Trade and other payables	7	76,793	56,937
Employee benefits		35,912	129,532
Deferred revenue		450,000	91,392
Total current liabilities		<u>562,705</u>	<u>277,861</u>
Non-current liabilities			
Employee benefits		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>562,705</u>	<u>277,861</u>
Net assets		<u>98,442</u>	<u>114,470</u>
Equity			
Retained Earnings		<u>98,442</u>	<u>114,470</u>
Total equity		<u>98,442</u>	<u>114,470</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Prisoners' Aid Association of New South Wales Inc
Statement of changes in equity
For the year ended 30 June 2023

	Retained Earnings \$	Total equity \$
Balance at 1 July 2021	166,303	166,303
Deficit after income tax expense for the year	(51,833)	(51,833)
Other comprehensive income for the year, net of tax	-	-
	<u>(51,833)</u>	<u>(51,833)</u>
Total comprehensive income for the year	<u>(51,833)</u>	<u>(51,833)</u>
Balance at 30 June 2022	<u>114,470</u>	<u>114,470</u>

	Retained Earnings \$	Total equity \$
Balance at 1 July 2022	114,470	114,470
Deficit after income tax expense for the year	(16,028)	(16,028)
Other comprehensive income for the year, net of tax	<u>(16,028)</u>	<u>(16,028)</u>
Total comprehensive income for the year	<u>98,442</u>	<u>98,442</u>
Balance at 30 June 2023	<u>98,442</u>	<u>98,442</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2023

Note 1. 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 incorporated association 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

In the officers' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Associations Incorporation Act 2009, the Charitable Fundraising Act 1991 and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Prisoners' Aid Association of New South Wales Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

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 incorporated association'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 2.

Revenue recognition

The incorporated association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Services

Revenue from rendering services is recognised upon performance of the service at which point the invoices are raised to customers. Any service revenue which relates to future services is taken up as a liability in the Statement of Financial Position and recognised as revenue at a future date.

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

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 incorporated association'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 incorporated association'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

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

Property, plant and equipment

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:

Motor vehicles	5-7 years
Office equipment	3-5 years

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 incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association 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 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.

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2023. The incorporated association have assessed that this will not have a significant impact to the association.

Economic Dependence

The Funding Agreement with the Department of Justice Corrective Services (NSW) will expire on 30 June 2025.

Note 2. 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.

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2023

Note 3. Revenue

	2023	2022
	\$	\$
<i>Revenue - Services</i>		
Inmate Property Service (Corrective Services N.S.W)	289,887	237,165
Mates on the Move	459,290	182,507
	<u>749,177</u>	<u>419,672</u>
<i>Other Income</i>		
Donations	15,198	15,300
Grants	116,392	55,608
Interest / Dividends / Other	3,366	607
	<u>134,956</u>	<u>71,515</u>
Revenue	<u><u>884,133</u></u>	<u><u>491,187</u></u>

Note 4. Expenses

	2023	2022
	\$	\$
<i>Cost of Goods Sold – Services</i>		
Inmate Property Service (Corrective Services N.S.W)	289,047	264,731
Mates on the Move	610,212	338,555
	<u>899,259</u>	<u>603,286</u>
<i>Other Expenses</i>		
Capacity Building and Fundraising Expenses	902	3,060
Reduction in value of Investments	-	1,179
	<u>902</u>	<u>4,239</u>
<i>Deficit includes the following specific expenses:</i>		
<i>Depreciation</i>		
Motor vehicles	526	752
Office equipment	839	1,252
Total depreciation	<u>1,365</u>	<u>2,004</u>
<i>Superannuation expense</i>		
Superannuation expense	<u>47,061</u>	<u>35,533</u>

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2023

Note 5. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	-	-
Cash at bank	120,652	310,843
	<u>120,652</u>	<u>310,843</u>

Note 6. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade receivables	506,455	70,065
Accrued income	28,220	-
Other receivables	(698)	-
	<u>533,977</u>	<u>70,065</u>

Note 7. Current liabilities - trade and other payables

	2023	2022
	\$	\$
Trade payables	25,927	22,763
Accrued liabilities	50,866	34,174
	<u>76,793</u>	<u>56,937</u>

Note 8. Contingent liabilities

The incorporated association had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 9. Commitments

The incorporated association had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 10. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Prisoners' Aid Association of New South Wales Inc
Officers' declaration
30 June 2023

In the officers' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Associations Incorporation Act 2009, the Charitable Fundraising Act 1991 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the officers



Tim Laporte
President

13 February 2024
Sydney



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PRISONERS' AID ASSOCIATION OF NSW INC

Opinion

We have audited the financial report, being a special purpose financial report of Prisoners' Aid Association of New South Wales Inc (the 'Association'), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity for the year ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the officers' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the *Associations Incorporations Act 2009 (NSW)*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, the *Associations Incorporations Act 2009 (NSW)* and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the officers' financial reporting responsibilities under the *Associations Incorporations Act 2009 (NSW)* and the *Australian Charities and Not-for-profits Commission Act 2012* and the Association's rules of association. As a result, the financial report may not be suitable for another purpose.

Other Information

The officers of the Association are responsible for the other information. The other information comprises the information included in the Association's financial report for the year ended 30 June 2023 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PRISONERS' AID ASSOCIATION OF NSW INC

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the officers of the Association for the financial report

The officers of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporations Act 2009 (NSW)* and is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers 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 officers 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 officers either intend to liquidate the Association or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our auditor's report.

Dated at Sydney on the 14th day of February 2024



ESV Business Advice and Accounting



Hemant Nisar
Client Director