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14 March 2019

**Positive Education Schools Association (“PESA”)**  
**ABN 168 259 096**

**Independent Financial Review – 2018 Fiscal Year**  
**Undertaken in accordance with the requirements set out by the ACNC**  
**For a Medium Sized Charity**

To whom it may concern,

I am a principal of Southern Partners, which has been engaged by PESA since November 2016.

Southern Partners has assisted PESA with its accounts on a pro-bono basis. This will cease as of this report. This assistance has included general financial reporting, BAS returns and payroll. However, much of the day-to-day financial reporting and management is conducted in-house by the PESA CEO, Marita Hayes-Brown, using Xero accounting software.

In this instance, Southern Partners has been engaged by PESA to undertake a review of its financial reports for the 2018 calendar year to enable PESA to comply with its ACNC annual reporting obligations for that calendar year. Our engagement has involved a review of PESA’s financial reports and a number of discussions with the CEO.

For the 2018 calendar year, I am able to report the following:

- PESA achieved a surplus of \$11,631.
- PESA achieved a turnover of \$631,084.
- There was a gross profit of \$212,732.
- Overheads were \$201,100 for the 12-month period.
- The net position as of 31 December 2018 was \$257,127.
  - This is an increase of \$11,651 from 31 December 2017.

The significant decrease (90% decrease) in net profit from 2017 to 2018 was primarily due to the significant growth in conference expenses and state chapter expenses. This is due to the Association’s increased support and assistance to members and chapters for conferences and events at the local, state, territory, and national levels. Conferences included professional development events, annual state conferences, and an annual national conference.

The increase in conference expenses was offset by the significant increase in conference income and sponsorship, which also attributed to the 70% increase in turnover for 2018.

Overheads increased slightly over 2017 with a 12% increase primarily due to wages. Staff continue to work remotely, which contributes to maintaining low overheads.

2018 was a successful year for PESA, across a number of fronts. Membership almost doubled over the course of the year, with memberships totalling almost 2,100 by December 31. Over 90% of PESA members hail from Australia, with the balance based in 23 countries abroad including UAE, Brazil, Canada, Chile, China, Germany, France, Great Britain, Hong Kong, Mexico, Japan, India, Ireland, Indonesia, Macao, Netherlands, New Zealand, Panama, PNG, Qatar, Russia, Singapore, South Africa.

The annual national conference in April was a resounding success with over 800 delegates in attendance (compared with 350 attending the 2017 conference), including participants from Australia, Hong Kong, New Zealand, Singapore, Canada, UAE, USA, UK, India Taiwan, Ireland, and Malaysia. 270 schools were represented. The 3-day event yielded a net profit of over \$148,000.

PESA has now established chapter committees in every state of Australia as well as the ACT.

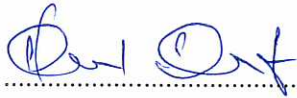
Having reviewed the company's financial reports and records, and for the purposes of the PESA 2018 annual report to the ACNC, I am able to state that:

- There is no material item that has come to my attention that causes me to believe the PESA financial report does not meet the requirements of the ACNC Act.
- I do not believe PESA's financial reports contain any material defect or irregularity.
- In my view, PESA has been transparent and has provided a reasonable level of assistance to me whilst conducting the review.

In summary, I am of the view that the company is in a financially sound position, and I am unaware of any circumstances which may materially adversely affect the company's financial position.

#### **Reviewer's independence declaration**

I hereby declare that to the best of my knowledge and belief there have been no contraventions of any applicable code of professional conduct in respect of the review.

  
.....  
Paul Garrett, CPA  
Principal

14.3.2019  
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Date