

PETAA

PRIMARY ENGLISH TEACHING
ASSOCIATION AUSTRALIA

CONTINUAL PROFESSIONAL GROWTH

Annual Report 2020

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Board of Directors

- Pauline Jones (President)
- Robyn Cox
- Mardi Gorman
- Helen Kenworthy (Vice President Finance & Audit Committee: Jan - July)
- Bronwyn Parkin (Vice President Professional Learning & Publishing Committee)
- Timothy Warwick (Vice President Finance & Audit Committee: July -)
- Julie Hayes
- Therese Gawthorne
- Melanie McDonald (July -)
- Janelle Warhurst (July -)

2020 Staff (full- or part-time)

- Megan Edwards: General Manager
- Robyn Topp: Professional Learning Manager
- Maria Thompson: Membership & Operations Manager
- Michael Zhu: Accounting Manager
- Cassie Tongue: Marketing and Communications Coordinator
- Alicia Diggs: Events Officer (July -)
- Linden Hyatt: Digital Publishing and Strategic Support (Contractor)
- Chelsea Roper: Membership Officer (October -)
- Hilary Hanna: Membership and Administration Coordinator (Jan – April)

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www.facebook.com/PETAAcommunity



<https://twitter.com/PETAAConnect>

President's Report

Pauline Jones



On behalf of the Board of Directors, I am pleased to present the report of PETAA – the Primary English Teaching Association Australia – for the year ending 31 December 2020. It was a year of extraordinary challenge, with all of the social and economic disruptions wrought by a global pandemic. Throughout which teachers – our members – demonstrated their know-how, their compassion and remarkable resilience as they supported their students and communities. In turn, the PETAA Board, the General Manager and staff have worked hard to align our business and governance activities with these increased demands on teachers, and to continue our core business of supporting primary school educators in their teaching of English and literacies across the curriculum.

During 2020 the Board began implementing the new PETAA strategic plan (2020 - 2022) to ensure that PETAA's role in the rapidly changing world of primary education in Australia remains strong and focused. This new strategic plan recognises that all young people need access to rich, multi-faceted literacy skills in order to navigate their futures with agency and purpose. Relatedly, the importance of education professionals throughout Australia having access to materials and professional learning to support their teaching of English and literacies across the curriculum continues to be central to PETAA's mission.

Whilst directions in education at both the national and state level continue to both change and develop, PETAA remains in a unique position to respond to this context positively and strategically. PETAA has continued our practice of bringing together leading scholars and thinkers from the field of English literacy education. Our first hybrid conference *Leading with Literacy: Reading to Write* was a resounding success and provides a blueprint for future gatherings. PETAA published three books during 2020, all of which were well received by the profession. Two PETAA books received accolades at the 2020 Educational Publishing Awards: *Teaching with Intent 2* (Bronwyn Parkin & Helen Harper, published 2019) won the Primary Reference Resource category and *Exploring How Texts Work (2nd Ed.)* (Beverly Derewianka, published 2020) was highly commended in that category. PETAA's collaborations with scientists, technologists and science educators led to the development of *The Language of Climate Change Science Teaching and Learning Progression* (Bronwyn Parkin & Julie Hayes), a unique resource freely available to all educators.

The recipients of the PETAA Research Grant Lynde Tan, Angela Thomas and Alice Chik have continued their research into the place of augmented reality (AR) in literacy classrooms in 2020, providing resources to support teachers' use of literacy related apps as they pivoted to online learning. We also acknowledge the teachers who contributed to the PETAA website during COVID lockdowns and restrictions. These stories of experience and advice are evidence of the strength of community among our members that PETAA is pleased to support.

During 2020 PETAA has continued to advocate for the teachers in schools by using our valued independent view of the importance of literacy education during the primary years. PETAA made submissions to the review of NAPLAN, and continues to provide input to the current review of the Australian Curriculum: English and other documents, as well as the review of the NSW English K-10 English syllabuses. PETAA continues to monitor events and participate in stakeholder conversations with AITSL, NESA and other agencies with a view to supporting our members in the profession.

The PETAA staff are to be commended on their diligence, professionalism and contributions

towards helping PETAA to achieve its successful 2020 outcomes. Our General Manager, Megan Edwards has had an eventful first year in the role during which she has led the team to achieve much on behalf of the association with the result that despite the challenges, PETAA ended 2020 in a very strong position. The updating of the website and ICT capacity which she led have been key tools in delivering services and resources to members. I would like to take this opportunity to thank Megan for her expert leadership and commitment in all matters, and indeed all of the staff for the passion and energy they bring to their work with PETAA.

We also thank the many academics, educators and consultants who have supported PETAA's work. The PETAA Board has worked tirelessly in 2020, and as President I would like to acknowledge the breadth of knowledge and personal commitment that each Board member has contributed towards PETAA's successes. The consultative and collaborative manner in which the Board plan and share responsibilities leads to successful actions both collectively and individually.

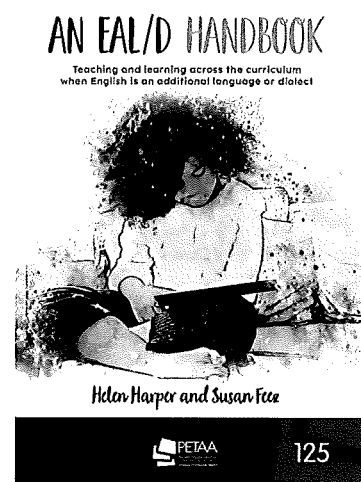
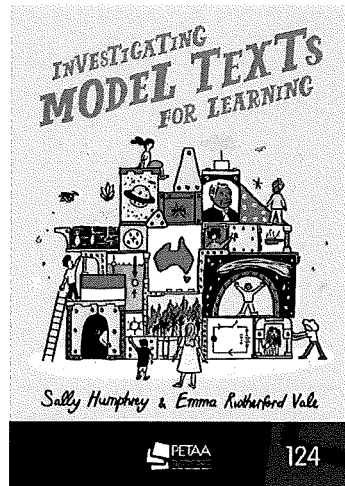
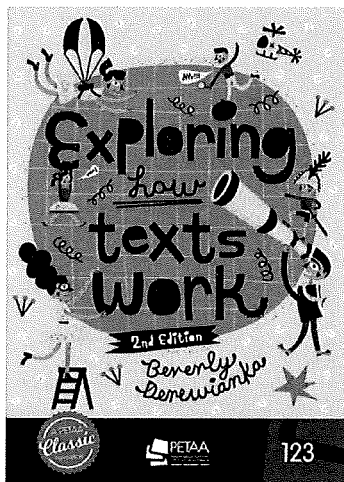
The Board composition had some significant changes in 2020. Robyn Cox stood down as President, and I take this opportunity to acknowledge her contribution and commitment to the association and to the profession generally. During her time, PETAA has become a strong voice for literacy education, a regular contributor to curriculum and policy development, and consolidated our position as a provider of quality professional learning and materials to support teachers' work. In addition, we farewelled Helen Kenworthy, acknowledging the contribution she made to educational policy and governance over her term and welcomed fellow Queenslander, Melanie McDonald. Melanie brings a wealth of experience working with new teachers which she has turned to one of our current projects. Janelle Warhurst has also joined the board and is making similarly important contributions, particularly to professional learning endeavours. The PETAA Board members are working to pursue stronger and closer links to members so that we can be confident that the diversity of their needs is recognised and addressed.

In summary: at the conclusion of 2020 the Board, the General Manager and PETAA staff were confident that PETAA would continue to grow in 2021 and beyond. Thank you for your passion and your commitment to English and literacies in the primary sector. We look forward to continuing this important work with you.

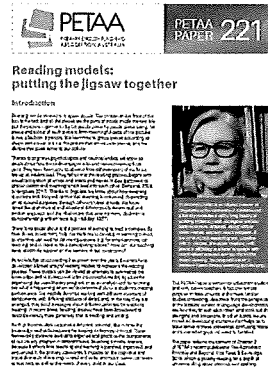
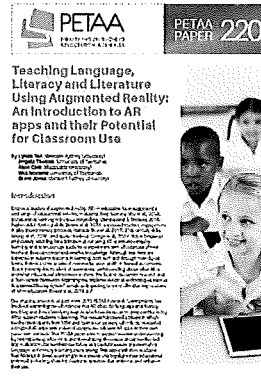
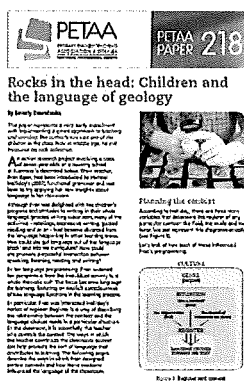
Pauline Jones
President
Primary English Teaching Association Australia

Publications 2020

Books



PETAA Papers





PETAA

PRIMARY ENGLISH TEACHING
ASSOCIATION AUSTRALIA

Directors' Report 2020

Your Directors present this report to the members of the Primary English Teaching Association Australia (PETAA) for the year ended 31 December 2020.

The names of the Directors in office at the date of this report are:

Robyn Cox	Mardi Gorman	Melanie McDonald
Timothy Warwick	Julie Hayes	Therese Gawthorne
Bronwyn Parkin	Pauline Jones	Janelle Warhurst

The Primary English Teaching Association Australia (PETAA) is a national association that supports primary school educators to focus on the teaching and learning of English and literacies across the curriculum.

VISION:

To be the national leader in the fields of English and literacies across the curriculum in the primary school connecting literacy and English as a coherent, productive topic for theory, research and educational practice.

MISSION:

PETAA aims to support and inform all those concerned with the teaching and learning of English and literacies across the curriculum in primary schools, to encourage them in reflection and dialogue, to challenge them in their practice and to give public voice to their concerns.

KEY STRATEGIC GOALS:

- o To advocate for and promote the national profile of the primary English teaching profession
- o To strengthen the profession by promoting PETAA resources
- o To connect primary English and literacy teachers on topics in a dialogic manner
- o To grow, sustain and develop organisational capacity

Achieving PETAA's strategic objectives

PETAA's strategic aims are to:

- o champion significant contributions to the profession by active representation and advocacy that complements PETAA's core research and educational values
- o empower and encourage educators with high quality resources to make literacy accessible for all, whilst promoting excellence
- o build viable, collaborative communities of literacy educators and strong, connected professional networks to build capability
- o strive for organisational improvement by investing in human resources, cost effective systems and technology that enhances learning and viable community benefits while maintaining best governance practices.

PETAA's strategy for achieving these objectives includes:

- o delivering professional learning that improves the teaching and learning of literacies and English based on a range of sound evidence and through the sharing of recent and relevant research
- o publishing and disseminating quality teaching resources that support primary educators' professional needs and provides a balance between theory and best classroom practice
- o advocating effectively and powerfully for the professional interests of members and Australian literacies education
- o maintaining and growing where possible, a membership base that is balanced across educational sectors, jurisdictions and Australian states and territories while expanding membership categories
- o forming and fostering professional learning communities and networks within and beyond PETAA, while strengthening and growing partnerships with the broader education community
- o ensuring effective processes and structures for the governance and operational sustainability of the business.

Principal activities and achievements

PETAA's principal activities and achievements during the year included, but were not limited to:

- o Operating at our usual high level of service and delivery through a year that was severely impacted and disrupted for all by COVID-19.
- o Providing quality publications and professional learning that addressed current needs of primary educators across Australia in the fields of English and literacy. 2 PETAA books were shortlisted at the

Educational Publishing Awards 2020, with *Teaching with intent 2* taking home the award win. Our later 2 texts, *Investigating Model Texts* and the *EAL/D Handbook* have launched to very positive feedback from the teaching community

- o Accelerating the offering of our professional learning online, with the implementation of a new platform (LearnBook), allowing us to support teachers across Australia with best practice workshops. PETAA courses enable the continuing professional learning of primary educators across different career stages, locations and diverse educational settings.
- o Updating all PETAA systems, including the main association management software (upgraded to Cloud), our financial accounting software, internet connection and internal servers, board and committee review platform and the new learning management system
- o Successfully applying for \$200,000 funding through the Victorian Department of Education Challenge and Enrichment series to deliver the PETAA Young Gifted Writers Program in the state between 2020 – 2022
- o Delivering PETAA's first ever hybrid model conference, welcoming over 700 attendees from across Australia for 2 days of inspiring, quality presentations on the theme of Reading of Write.
- o Increasing our member services and personalisation, using feedback from members on what they would like. New services in 2020 include: webinars, on-demand conference access, whole school units of work, monthly curated content emails, whole-of-staff access to school membership
- o Coordinating the current PETAA Research Grant project, awarded in 2019 to a team of researchers on the topic of Language and Literacy Learning and Teaching with Augmented Reality
- o Delivering our first fully virtual AGM, due to COVID-19 restrictions, allowing members from across Australia to participate fully and equally
- o Attracting presenters and authors who understand the relationship between current research, sound pedagogy and the complexities of classroom practice
- o Strengthening connections between the use of quality children's literature and good classroom practice linked with the *Australian Curriculum: English* (nationally and in states/territory versions)
- o Expanding its profile, including via the use of various media, as the leading professional body for primary literacies with federal and state governments and cross-sector authorities and jurisdictions
- o Establishing pathways through which our membership can contribute to and inform PETAA's advocacy role and the broader educational community
- o Investing in our human resources, skills and ability to support and provide for our members by hiring a new Events Officer and increasing the role of Membership Administration to a full-time position
- o Updating and refining PETAA's financial and accounting, and governance and risk processes to ensure best practice
- o Continuing to build financial reserves to protect the organisation against unanticipated emergencies and to build capacity to explore new business ventures and income streams.

These activities have assisted PETAA in achieving its objectives by enabling it to:

- o increase the connections between publishing and professional learning, whilst maintaining the quality and rigour of both
- o deliver 35 full-day and part-day open teacher professional learning courses, which included 25 online workshops
- o run our first ever hybrid conference in Sydney, which welcomed over 700 participants from around Australia. This was PETAA's largest ever conference in its history
- o organise 31 tailored sessions for schools, including a number delivered online
- o increase PETAA's total membership base, whilst reducing the resignation rate of our existing members due to higher engagement through our increased services
- o update and add new website resources as a key national portal for access to high quality, relevant professional support, including our new whole school teaching units and recordings of our webinar series
- o ensure we are operating using best practice accounting and financial standards.

Performance measures

PETAA measures performance through the establishment and monitoring of benchmarks including:

- o evidence of the role and effects of its publishing and professional learning programs
- o evidence of the scope, balance and equity of its professional learning activities
- o increased member interaction and higher PETAA profile
- o maintain a positive gross revenue from professional learning and publishing
- o upkeep of a strong membership sector, increased categories offered across a broader spectrum
- o returning a surplus to the association.

Members' guarantee

In accordance with the company's constitution, each member is liable to contribute \$10 in the event that the company is wound up. The total amount members would contribute is \$35,690.

Auditor's independence

The auditor's declaration of independence appears on page 15 and forms part of the Directors' report for the year ended 31 December 2020.

Signed in accordance with a resolution of the Directors made pursuant to s. 298(2) of the Corporations Act.



.....
Pauline Jones

President and Director

Signed at Sydney, NSW this 22nd day of April 2021

PETAA Board Directors 2020

Pauline Jones, Ph.D. (UNSW)

President

Pauline Jones has over 20 years' experience as a tertiary teacher educator specialising in language and literacy research, curriculum and pedagogy. Prior to that, she was a primary school teacher and English language teaching specialist. Having completed her PhD on oral language in 2005, she continues to investigate the role of classroom dialogue in educational success. Her recent research has included the use of student generated multimodal texts in Science, and language and literacy transitions across schooling years. She is currently researching the relationship between creativity and success in the curriculum disciplines, as well as the language demands of sustainability education.

*Pauline has a long-standing commitment to supporting teachers to implement research-based English and literacy curricula. She has written extensively for teachers (in- and pre-service) in language and literacy, including collaborating with Alyson Simpson and Anne Thwaite on a book about dialogue in teaching and professional learning for the PETAA book, *Talking the Talk*.*

Robyn Cox, PhD, M St Ed, Grad Dip Ed Stud, Dip Teaching

Director

Robyn is currently Associate Professor of Literacy Education at ACU National, Strathfield campus. Prior to this she was Principal Lecturer at the University of Worcester, UK and a member of the executive committee of the United Kingdom Literacy Association (UKLA).

Robyn has also held positions at Universities in Australia, Singapore and Brunei Darussalam. She is the author of several international journal articles in the field of literacy research and has been involved in teacher education in four countries over a 20-year period.

Robyn is well known for her commitment to the development of a strong professional knowledge base in initial teacher education and remains dedicated to bringing accessible educational research and theory to teacher education students. Robyn's interest also lies in teacher professional development.

Helen Kenworthy, Grad Dip (Applied Linguistics), BEd, Dip Ed Primary

Director (Jan – July)

Helen has been an educator in Queensland for more than 30 years and is currently an Assistant Regional Director for Queensland Department of Education and Training. Helen is very passionate about her work and strives to make a difference in the lives of the students in all her schools. She is an instructional leader working closely with leadership teams and teachers in implementing the Australian Curriculum, developing a deep understanding of effective practices in the teaching of reading and writing, and using data to ensure every student is learning.

Mardi Gorman, Dip Teach (ACU), BEd (Ballarat Uni), MEd (Uni of Melb)

Director

Mardi Gorman is an experienced educator who has worked within a range of educational contexts both in Australia and overseas in New York and London. Mardi manages her own education consultancy in Melbourne, focusing on building educator's pedagogical knowledge and instructional practice on effective literacy practice. She is part of the team who has developed the University of Melbourne's Network of Schools project, where she plans and presents professional learning seminars, leads focus groups and supports schools in connecting research to the practicalities of school action planning and professional learning.

Mardi strongly believes that quality teachers and leaders remain pivotal to driving a positive impact on student learning. This drives her passion for, and focus on, professional learning for educators.

Bronwyn Parkin, PhD (University of Adelaide), Master of Education (UniSA)

Director

Bronwyn Parkin has 30 years' experience in supporting language and literacy teachers beginning in Aboriginal Education, remote and metropolitan through the South Australia Accelerated Literacy program focused on disadvantaged schools; through the recent PETAA research grants investigating academic language pedagogy with educationally marginalised students; and as a consultant working in disadvantaged contexts. Dr Parkin has been a member of the Literacy Education Advisory Committee of South Australian Department of Education.

Julie Hayes, BEd (University of South Australia)

Director

Julie has worked in schools as a teacher and leader, both here and in the UK, for nearly 35 years. She retired in 2019 having been Principal of Cowandilla Primary School in Adelaide for the past 16 years. Most of her career was spent in schools and preschools with high numbers of migrant and refugee children. Knowing the important role language plays in learning and social interaction in and out of school, Julie ensured her teachers were trained in and Accelerated Literacy and Systemic Functional Linguistics. Teachers need to be experts in order to help children construct highly effective oral, written and visual texts. Julie has been an active member of state and national Principals' associations and won the 2019 John Laing Award for her contribution to professional learning in South Australia.

Therese Gawthorne, M Instr Lead (Uni Melb), M Ed (WSU), B Ed, Dip Teach (ACU)

Director

Therese has over 30 years' experience as an educator in NSW primary schools, teaching all grades K-6 across rural and metropolitan settings, predominantly in schools of socio-economic disadvantage. She has held a range of leadership roles in schools for the last 20 years, with responsibility for leading teacher professional learning, particularly in aspects of literacy. Therese is currently working as a Curriculum Advisor with the NSW Department of Education, where she enjoys the opportunity to build the capacity of teachers across a range of schools, continuously striving for excellence in improving student outcomes.

Timothy Warwick, BA Arts/Law (UQ), MA teach (University of Melbourne)

Director

Tim Warwick is the Principal at Gowrie St Primary School in Shepparton. Earlier in his career, he taught Legal Studies and Humanities at Wanganui Park Secondary College. Tim has led and supported a number of Indigenous education and cultural awareness strategies which have been launched in schools across the Murray Goulburn Valley region. He was the Project Co-ordinator for the Kaiela Dhungala First Peoples Curriculum and is on the boards of Ganbina and Boundless, two organisations aimed at supporting the aspirations of our young people.

Melanie McDonald, Dip Teach EC (Monash University) B. Education (Queensland University of Technology)

Director (July -)

Melanie has recently transitioned into the role of Capability Manager for the Queensland Department of Education's Teacher Learning Centres. She works with school leadership teams and regional staff to build consistency in mentoring practices, including delivering regional Mentor training. This follows several years as Director of the Professional Learning Hub in the Ipswich Corridor, supporting the professional development of Early Career teachers and Mentors. Prior to this, Melanie's previous role was in a school as the pedagogy coach, where her focus was on the development of a consistent approach to the teaching of reading; she has over 20 years' experience in teaching and leadership roles in schools.

Janelle Warhurst, M.ED (Teacher Librarianship) (Charles Stuart University)

Director (July-)

Janelle Warhurst has been a primary teacher since she graduated from Sydney Teachers College in 1978. She went on to do a Graduate Diploma in Education (language) and also a Master of Education (Teacher Librarianship) at Charles Sturt University. Her love of teaching children English and many areas of the curriculum with a strong emphasis on quality literature has continued throughout many years in schools. Janelle is currently Deputy Principal at Woollahra Public School in Sydney's East after relieving and acting as principal in several schools over the past five years. She is studying the Women's Advanced Leadership Program through NESLI.

Ellis Zilka (BSc UNSW)

Support: Consultant to Finance and Audit Committee and The Board (Jan – June)

Ellis is an experienced business professional with over 20 years of business advisory and managerial experience. Ellis was a co-founder and Director of Operations for Proximity Pty Ltd from 1998 to 2006. Since 2006, Ellis has been Principal of EZ Consulting. EZ Consulting provides capital raising and business planning services to small and mid-size organisations.

Meetings of the PETAA Directors

The following table provides information regarding appointment, departure and attendance of Directors at Board and Committee meetings during 2020.

	Board		Finance and Audit Committee		Publishing and Professional Learning Committee		
Name	(a)	(b)	(a)	(b)	(a)	(b)	Notes
Pauline Jones	4	4	6	6	4	4	(a) Number of meetings held while Director/Committee Member (b) Number of meetings attended NB: 1) President attendance at Committee meetings is optional 2) AGM held July 2020
Helen Kenworthy	2	2	2	2			
Mardi Gorman	4	7			4	3	
Bronwyn Parkin	4	6			4	4	
Robyn Cox	4	3	6	6	4	4	
Julie Hayes	4	5			4	4	
Therese Gawthorne	4	5			4	4	
Timothy Warwick	4	5	5	5	4	4	
Melanie McDonald	1	1	1	1			
Janelle Warhurst	2	2			2	2	

NB: Ellis Zilka as a non-Director Committee Member of the Finance and Audit Committee attended 3 meetings plus two Board meetings.

Principal Activities of PETAA

The principal activity of the Company is to support primary school educators in their focus on the teaching and learning of English and literacies across the curriculum. No significant change in the nature of these activities occurred.

Results

The operating result for the year amounted to a surplus of \$33,739 compared to a deficit of \$173,930 in 2019. The Company was exempt from paying income tax.

Dividends

As the Company is precluded from paying dividends by its Constitution, no dividends have been paid during the year and no recommendation is made as to dividends.

Review of Operations

Membership as at 31 December 2020 totaled 3569 compared with 3297 at 31 December 2019. Income for the year was \$1,444,927 compared with \$1,251,235 in 2019. Expenses applicable to the year totaled \$1,411,188 compared with \$1,425,165 in 2019.

Changes in State of Affairs

For 9.5 months of 2020, PETAA, like the rest of Australia and the world, was impacted by COVID-19. From mid-March onwards, with the exception of PETAA's conference, no open face to face PL was undertaken. Face to face PL is typically a significant revenue stream for PETAA. For 3.5 months, the PETAA staff worked entirely remotely, whilst our members (and the wider teaching community) in VIC faced remote teaching for months on end. PETAA endeavored to support teachers through the rapid expansion of our online PL offerings, free webinars, additional resources offered to non-members and more content sharing. PETAA was fortunate, in that the vast majority of our operations could continue or be pivoted online, so we were not adversely affected in the way that many associations were in 2020.

Subsequent Events

At the start of 2021, we continue to see some impact on PETAA operations from COVID-19 (e.g. a 5 day lockdown in VIC during February, cancelling an event due to occur there). The operational team continues to be flexible and agile during these times of uncertainty and change.

Likely Developments and Future Results

The Directors will continue to promote the objects of the Company, in line with the new Strategic Plan 2020 - 2022 that was unveiled in 2020. This plan highlights the focus of the organisation's core activities within the context of the ever-changing demands of the *Australian Curriculum* or state/territory versions of curriculum and the National and State departments of Education. Pending changes to both the *Australian Curriculum* and *NSW Syllabus* will have impacts on PETAA, most notably the need to invest in updating our publications and resources with new links.

PETAA continues to invest in and work on our professional learning capabilities and will seek to work more closely with government entities to support our efforts at a state and territory level. We continue to pride ourselves on being providers of research-based, quality, cost-effective professional learning and resources, supporting teachers across their literacy teaching needs.

A continual greater focus on individual member experience, personalisation and community will be seen in the coming 12 months. This will be actioned in particular through our marketing and communications, our sharing of curated content resources, the creation of additional unique content (e.g. webinars, case studies, book lists and reviews, additional units of work) and finally, through the new Early Career Teacher Literacy Support Portal (to be launched in January 2022, but the work to be undertaken in 2021).

PETAA remains, as it has since 1972, a key part of the broader community of professional teaching associations. We will continue to explore ways to work in sync with like-minded Associations, existing and emerging, and develop strategic support from other organisations and individuals. PETAA's advocacy work in conjunction with its other resources and services will continue to hold the Association steady.

Directors' Benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or a related body or corporate with the Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest, apart from Bronwyn Parkin who received \$2497.29, Pauline Jones who received \$37.62 and Robyn Cox who received \$1260.46. This amount was paid under normal commercial arrangements and at arm's length. This statement excludes a benefit included in the aggregate amounts of emoluments received or due and receivable by Directors and shown in the Association's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Directors' Indemnification

During 2020, the Association maintained an agreement to indemnify all Directors of the Company. The indemnity relates to:

1. Directors and Officers – losses which he/she becomes legally obliged to pay on account of any claim first made against him/her during the period of coverage (by policy) for a wrongful act committed before or during this period.
2. Company Reimbursement – all losses for which the insurer may grant indemnification to a Director or Officer as permitted by law, which such Director or Officer has become legally obliged to pay on account of any claim first made against him/her during the policy period for a wrongful act committed before or during the policy period.

Auditor's Independence declaration

The Directors have received the Auditor's independence declaration for the financial year ended 30 December 2020 and is included on page 15 of the annual report.

This report is made out in accordance with a resolution of the Directors.



Pauline Jones
President and Director
Sydney
22nd day of April 2021

Primary English Teaching Association Australia

ABN 36 002 557 075

Financial Statements

For the Year Ended 31 December 2020

Primary English Teaching Association Australia

ABN 36 002 557 075

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Primary English Teaching Association Australia

ABN 36 002 557 075

Auditor's Independence Declaration
For the Year Ended 31 December 2020

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out below.

AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the Primary English Teaching Association Australia Limited for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



.....
Victoria Lakis
Registered Company Auditor
Signed at Sydney, NSW this 22nd day of April 2021

Primary English Teaching Association Australia

ABN 36 002 557 075

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	5(a)	1,444,927	1,251,235
Employee expenses		(675,112)	(616,002)
Director costs		(16,565)	(30,338)
Administration costs		(136,591)	(189,788)
Production costs		(204,714)	(197,975)
Marketing and distribution costs		(60,496)	(106,926)
Depreciation expense	9(a)	(8,463)	(1,907)
Amortisation and impairment expense - intangible assets	10(a)	(91,583)	(22,470)
Amortisation expense - right-of-use assets	12	(12,552)	-
Lease interest		(352)	-
Other expenses	5(b)	(204,760)	(259,759)
Profit/(loss) for the year		33,739	(173,930)
Other comprehensive income		-	-
Total comprehensive income for the year		33,739	(173,930)

The accompanying notes form part of these financial statements.

Primary English Teaching Association Australia

ABN 36 002 557 075

Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,257,368	1,021,258
Trade and other receivables	7	1,696	35,682
Inventories	8	129,077	135,189
Other assets	11	2,000	3,207
TOTAL CURRENT ASSETS		1,390,141	1,195,336
NON-CURRENT ASSETS			
Property, plant and equipment	9	8,780	15,262
Intangible assets	10	50,434	84,585
Right-of-use assets	12	31,394	-
TOTAL NON-CURRENT ASSETS		90,608	99,847
TOTAL ASSETS		1,480,749	1,295,183
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	70,899	38,274
Lease liabilities	12	12,384	-
Employee benefits	15	53,764	40,447
Other financial liabilities	14	350,056	107,322
TOTAL CURRENT LIABILITIES		487,103	186,043
NON-CURRENT LIABILITIES			
Lease liabilities	12	19,777	-
Employee benefits	15	11,185	16,029
Other financial liabilities	14	34,050	-
TOTAL NON-CURRENT LIABILITIES		65,012	16,029
TOTAL LIABILITIES		552,115	202,072
NET ASSETS		928,634	1,093,111
EQUITY			
Retained earnings		928,634	1,093,111
TOTAL EQUITY		928,634	1,093,111

The accompanying notes form part of these financial statements.

Primary English Teaching Association Australia

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Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Retained Earnings \$	Total \$
Reported Balance at 1 January 2020	1,093,111	1,093,111
Adjustment to retained earnings	(198,216)	(198,216)
Adjusted Balance at 1 January 2020	894,895	894,895
Profit/(loss) for the year	33,739	33,739
Balance at 31 December 2020	928,634	928,634

2019

	Retained Earnings \$	Total \$
Balance at 1 January 2019	1,267,041	1,267,041
Profit/(loss) for the year	(173,930)	(173,930)
Balance at 31 December 2019	1,093,111	1,093,111

Primary English Teaching Association Australia

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Statement of Cash Flows For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members and customers		1,383,570	1,106,720
Royalties and copyright fee receipts		70,026	84,329
Interest received		3,166	13,843
Government subsidies		100,000	-
Payments to suppliers and employees		(1,249,456)	(1,431,596)
Net cash provided by/(used in) operating activities	20(a)	307,306	(226,704)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(1,980)	(11,232)
Payments for intangible assets		(57,433)	-
Net cash provided by/(used in) investing activities		(59,413)	(11,232)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		(11,783)	-
Net cash provided by/(used in) financing activities		(11,783)	-
Net increase/(decrease) in cash and cash equivalents held			(237,936)
Cash and cash equivalents at beginning of year		1,021,258	1,259,194
Cash and cash equivalents at end of financial year	6	1,257,368	1,021,258

The accompanying notes form part of these financial statements.

Primary English Teaching Association Australia

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Notes to the Financial Statements

For the Year Ended 31 December 2020

The financial report covers Primary English Teaching Association Australia as an individual entity. Primary English Teaching Association Australia is a not-for-profit Company limited by guarantee, registered and domiciled in Australia. The financial statements of the Company have been drawn up as general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Corporations Act 2001*.

The functional and presentation currency of Primary English Teaching Association Australia is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The financial statements were approved by the Board of Directors on the same date as the signing of the Directors' Declaration.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2020.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 January 2020.

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2020 and therefore the comparative information for the year ended 31 December 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Change in Accounting Policy

Leases - Adoption of AASB 16

Impact of adoption of AASB 16

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 January 2020;
- right-of-use assets at 1 January 2020 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 31 December 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 31 December 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 January 2020 are the same value as the leased asset and liability on 31 December 2019.

Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets of \$43,946 and lease liabilities of \$43,946 at 1 January 2020, for leases previously classified as operating leases.

The incremental borrowing rate applied to lease liabilities at 1 January 2020 was 5.0%.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

Membership income

Revenue from members' subscriptions is recognised on a time proportionate basis that takes into account the period of the subscription.

Other Revenue and Income

Revenue from publication sales and events is recognised upon the delivery of the goods or services.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. In all other cases the transaction is accounted for under AASB 1058 where the income is recognised upon receipt.

Interest revenue is recognised using the effective interest rate method which, for floating rate financial assets, is the rate inherent in the instrument.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Specific revenue streams

Grant income

When the Company receives government grants that are in the scope of AASB 1058 (being a transaction where the consideration paid is significantly less than fair value principally to enable the Company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In the cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Company:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting standards (e.g. AASB 9, AASB 16, AASB 116, AASB 138)
- Considers whether any financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
 - a lease liability (AASB 16)
 - a financial instrument (AASB 9)
 - a provision (AASB 137)
- Recognises income immediately in the profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

(c) Income Tax

As a not-for-profit entity, the Company has self-assessed its income status as exempt.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Summary of Significant Accounting Policies

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use. The estimate useful lives used for each class of depreciable asset are shown below:

Fixed asset class	2020	2019
Computer Equipment	1 – 3 years	3 – 5 years
Office Equipment	3 – 5 years	3 – 10 years
Furniture and Fittings	3 – 5 years	3 – 10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Intangible assets

Each class of intangible asset is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Intangible asset class	2020	2019
Trademarks	20 years	20 years
Computer software	3 years	3 – 10 years
Website	3 years	3 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Summary of Significant Accounting Policies

fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information. The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Summary of Significant Accounting Policies

(j) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Primary English Teaching Association Australia

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Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Summary of Significant Accounting Policies

(k) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(l) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

4 Critical Accounting Estimates and Judgements

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Primary English Teaching Association Australia

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Notes to the Financial Statements

For the Year Ended 31 December 2020

5 Result for the Year

(a) Revenue and other income

	2020 \$	2019 \$
Revenue		
Membership subscription	617,237	620,925
Sale of publications	222,022	213,473
Royalties and copyright revenue	70,026	84,329
Professional development and project management	355,367	291,634
Other revenue	77,109	27,030
	1,341,761	1,237,392
Other income		
Government assistance	100,000	-
Interest income	3,166	13,843
Total revenue	1,444,927	1,251,235

(b) Other expenses

Professional learning delivery costs	158,352	233,286
Project costs	46,408	26,473
	204,760	259,759

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Notes to the Financial Statements

For the Year Ended 31 December 2020

6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	300	300
Bank balances	554,598	320,959
Short-term deposits	702,470	700,000
	<u>1,257,368</u>	<u>1,021,259</u>

7 Trade and other receivables

CURRENT		
Trade receivables	1,696	38,764
Impairment of trade receivables	-	(8,000)
GST receivable	-	4,918
Total current trade and other receivables	<u>1,696</u>	<u>35,682</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Inventories

CURRENT		
At cost:		
Publications	129,077	135,189

9 Property, plant and equipment

Computer equipment

At cost	22,625	20,645
Accumulated depreciation	(13,845)	(9,975)
Total computer equipment	<u>8,780</u>	<u>10,670</u>

Office equipment

At cost	19,623	19,623
Accumulated depreciation	(19,623)	(15,858)
Total office equipment	<u>-</u>	<u>3,765</u>

Furniture and fittings

At cost	3,884	3,884
Accumulated depreciation	(3,884)	(3,058)
Total furniture and fittings	<u>-</u>	<u>826</u>

Total property, plant and equipment	<u>8,780</u>	<u>15,262</u>
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Notes to the Financial Statements

For the Year Ended 31 December 2020

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment \$	Office Equipment \$	Furniture and Fittings \$	Total \$
Year ended 31 December 2020				
Balance at the beginning of year	10,670	3,765	826	15,262
Additions	1,981	-	-	1,981
Depreciation expense	(3,871)	(3,765)	(826)	(8,463)
Balance at the end of the year	8,780	-	-	8,780

10 Intangible Assets

	2020 \$	2019 \$
Trademarks		
Cost	52,132	52,132
Accumulated amortisation	(49,506)	(46,880)
Total trademarks	2,626	5,252
Computer software		
Cost	411,479	354,046
Accumulated amortisation	(363,671)	(274,713)
Total computer software	47,808	79,333
Website		
Cost	39,058	39,058
Accumulated amortisation	(39,058)	(39,058)
Total website	-	-
Total intangible assets	50,434	84,585

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year:

	Trademarks \$	Computer Software \$	Website \$	Total \$
Year ended 31 December 2020				
Balance at the beginning of year	5,252	79,333	-	84,585
Additions	-	57,433	-	57,433
Amortisation and impairment expense	(2,626)	(88,957)	-	(91,583)
Balance at the end of the year	2,626	47,808	-	50,434

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Notes to the Financial Statements

For the Year Ended 31 December 2020

11 Other Assets

	2020 \$	2019 \$
CURRENT		
Security deposit	2,000	2,000
Prepayments	-	1,207
	2,000	3,207

12 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations. The Company has chosen not to apply AASB 16 to leases of intangible assets.

Terms and conditions of leases

The Company leases photocopier and printing equipment with the current agreement for a period of 5 years through to 30 June 2023.

The Company has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability.

Right-of-use assets

	Photocopier and printer \$	Total \$
Year ended 31 December 2020		
Balance recognised at 1 January 2020	43,946	43,946
Amortisation charge	(12,552)	(12,552)
Balance at end of year	31,394	31,394

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 Year \$	1-5 Years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this statement of financial position \$
2020				
Lease liabilities	13,656	20,484	34,140	32,161
Represented by:				
Current lease liability				12,384
Non-current lease liability				19,777

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Notes to the Financial Statements

For the Year Ended 31 December 2020

Total lease liabilities	32,161
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13 Trade and Other Payables

	2020 \$	2019 \$
CURRENT		
Trade creditors	7,403	6,630
Sundry creditors	1,627	3,006
Accrued expenses	2,841	-
GST payable	10,745	-
PAYG payable	20,768	12,650
Superannuation payable	8,366	-
Provision for royalty	15,521	12,957
Provision for CAL	3,093	3,031
Credit card	536	-
	70,899	38,274

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Other Financial Liabilities

CURRENT		
Deferred membership income	350,056	107,322
NON-CURRENT		
Deferred membership income	34,050	-

During the financial year, the methodology and approach to calculating deferred membership income was re-assessed. As a result of this re-assessment, it was determined an adjustment of \$198,216 was necessary in relation to the 2019 financial year. This adjustment was made on 1 January 2020 and was reflected in deferred membership income and opening retained earnings.

15 Employee Benefits

Current liabilities		
Long service leave	8,786	27,777
Annual leave	44,978	12,670
	53,764	40,447
Non-current liabilities		
Long service leave	11,185	16,029

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Notes to the Financial Statements

For the Year Ended 31 December 2020

16 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. The liability of members is limited to the amount set out in the Company's Constitution. The liability would only arise in the event of the winding up of the Company during the time of membership or within one year afterwards. Members are not required to pay in any capital while the company is a going concern.

17 Key Management Personnel Disclosures

The total remuneration, including termination payments, paid to key management personnel of the Company is
\$11,000 (2019: \$12,159).

18 Auditors' Remuneration

Remuneration of the auditor for:
- auditing the financial statements

2020	2019
\$	\$
8,500	8,500

19 Events after the end of the Reporting Period

On 30 January 2020, the spread of novel coronavirus ("COVID-19") was declared a Public Health Emergency of International Concern by the World Health Organisation ("WHO"). Subsequently, on 11 March 2020, WHO characterised COVID-19 as a pandemic affecting worldwide. Should this macro-economic risk continue for a prolonged period, there could be potentially adverse financial impact to the Company.

There has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Primary English Teaching Association Australia

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Notes to the Financial Statements

For the Year Ended 31 December 2020

20 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit/(loss) for the year	33,739	(173,930)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation & amortisation	112,598	24,397
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	45,937	(29,378)
- (increase)/decrease in inventories	6,112	3,486
- increase/(decrease) in income in advance	78,567	-
- increase/(decrease) in trade and other payables	21,879	(67,317)
- increase/(decrease) in employee benefits	8,474	16,038
Cashflows from operations	307,306	(226,704)

(b) Borrowing facilities

The following facilities were available at the end of the reporting period:

Total facilities

Credit Card

5,000 5,000

Used at reporting date

Credit Card

536 -

Unused at reporting date

Credit Card

4,464 5,000

21 Statutory Information

The registered office and principal place of business of the company is:

Primary English Teaching Association Australia

In the grounds of

Camdenville Public School

Laura Street

Newtown NSW 2042

Primary English Teaching Association Australia

ABN 36 002 557 075

Directors' Declaration

In the opinion of the Directors of Primary English Teaching Association Australia ("the Company"):

- (a) the financial statements and notes, set out on pages 16 to 35, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Notes 1 and 2; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Notes 1, 2 and 3, and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Pauline Jones
President and Director
Dated: 22nd day of April 2021

Independent Auditor's Report

To the Members of Primary English Teaching Association Australia Limited Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Primary English Teaching Association Australia Limited, which comprises the statement of financial position as at 31 December 2020, the statement of 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 my opinion, the accompanying financial report of the Primary English Teaching Association Australia Limited, is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Primary English Teaching Association Australia Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Primary English Teaching Association Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in Primary English Teaching Association Australia Limited's annual report for the year ended 31 December 2020, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of Primary English Teaching Association Australia Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors 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.

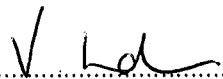
In preparing the financial report, the directors are responsible for assessing the Primary English Teaching Association Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Primary English Teaching Association Australia Limited or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

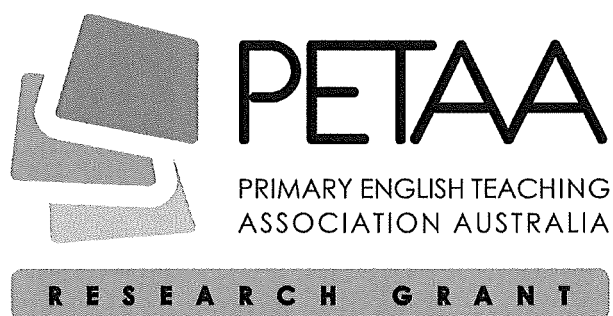
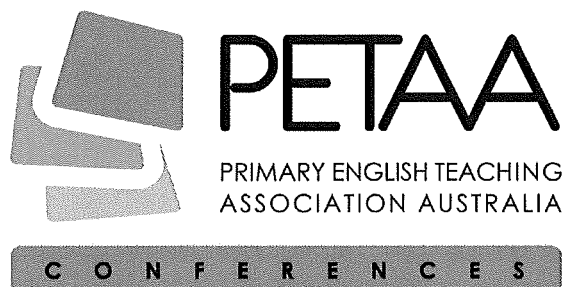
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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 Primary English Teaching Association Australia Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Primary English Teaching Association Australia Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Primary English Teaching Association Australia Limited's 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.
- I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Victoria Lakis

Registered Company Auditor

Signed at Sydney, NSW this 22nd day of April 2021



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