

Supplementary Information

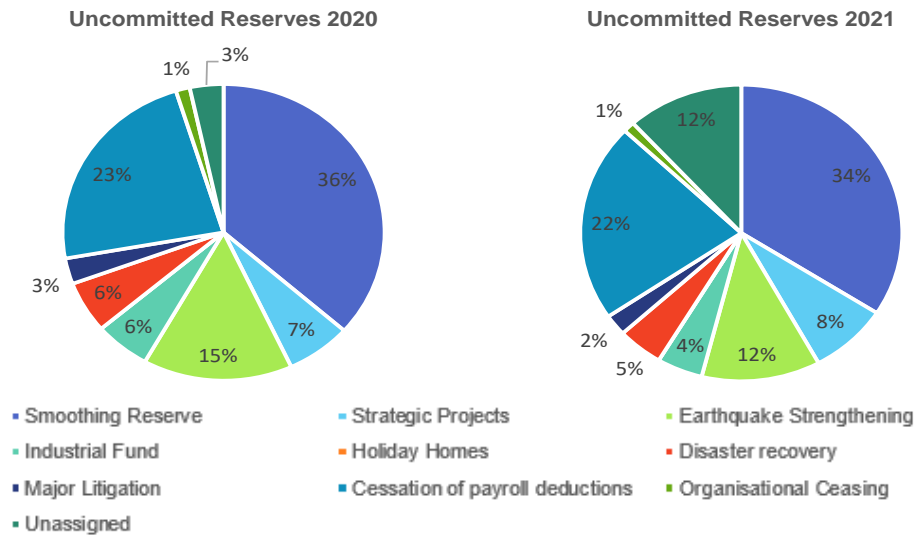
Uncommitted Reserves

PSA has a reserves policy which identifies the potential use of its uncommitted reserves. Uncommitted reserves are calculated by cash, near cash assets and liquid investments less current liabilities and annual leave liabilities (i.e. what we are committed to pay in the near future).

The Executive Board and management believe holding appropriate reserves is an important part of their fiduciary duties to the members and to ensure the organisation can continue in delivering its strategic goals. The reserves are part of an extensive policy and are a mix of fixed level issue specific amounts and amounts relating to current budgeted overall expenditure.

Details of the various reserves are set out below and total \$21,715,000 (2020: \$17,792,000).

It is important to note that the equity figure in the Statement of Financial Position is backed by cash and non-cash assets.



\$000's

			Target 1 April 2020	Actual 31 March 2021	Target 1 April 2021	Actual 1 April 2021	Usage 2021
Smoothing Reserve	Used to smooth sudden cash flow deficits during a normal operating year	% of operating expenses	7,400	7,400	7,800	8,365	
Strategic Projects	To fund one-off projects set up to further the PSA's strategic goals	Fixed \$ amount	1,750	1,728	2,250	2,250	To fund strategic projects.
Earthquake Strengthening	To fund bringing PSA House up to code	Fixed \$ amount	2,673	2,590	3,000	3,000	For design work for earthquake strengthening
Industrial Fund	To support members during prolonged industrial action	Fixed \$ amount	1,000	1,000	1,000	1,000	
Holiday Homes	To fund ongoing expansion of holiday homes	Fixed \$ amount	-	-	250	250	
Disaster recovery	To fund disaster preparedness and recovery	Fixed \$ amount	1,000	1,000	1,000	1,000	
Major Litigation	To fund any major legal action	Fixed \$ amount	500	500	500	500	
Cessation of payroll deductions	To fund the loss of income and costs to change to an alternative fee collection methods	% of subscription income	4,700	4,700	5,100	5,100	
Organisational Ceasing	To fund the obligations (leases, redundancies) if PSA ceased to operate	Fixed \$ amount	250	250	250	250	
Unassigned			-	2,547	-	-	
			19,273	21,715	21,150	21,715	