



sydney
PEN

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Memorandum

To: Management Committee
From: PWW
Date: 14.2.11
Subject: Signing the 2010 Annual Accounts

Attached are the 2010 Annual Accounts. These are the statutory accounts that, as an Incorporated Association, PEN is required to prepare, provide to members for the AGM and to lodge with the NSW Office of Fair Trading.

The following motions therefore are put for resolution in writing. Please indicate your vote below for each motion, sign and then **email or fax this document back to Natasha** asap this week.

1. Note the accounts

That the Annual Accounts for 2010 be noted and that a copy of them be attached to and form part of this Resolution in Writing.

 in favour against **(tick or circle one only)**

2. Audit the accounts

That the Annual Accounts for 2010 be sent to the association's auditor for him to make his report in accordance with requirements of the NSW Office of Fair Trading.

 in favour against **(tick or circle one only)**

3. Sign the Committee's Report and Committee Members' Statement

That:

(a) the Committee's Report in respect of the 2010 Financial Statements and Notes, annexed to and forming part of this resolution in writing, be and is adopted;

(b) the President and another Committee Member be and are authorised to sign the Report.

(c) the 2010 Financial Statements and Notes, annexed to and forming part of this resolution in writing present fairly the financial position of International Pen Sydney Centre Inc. as at 31 December 2010 and the results of the Incorporated Association for the year ended on that date in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements.

(d) there are reasonable grounds to believe that the Incorporated Association will be able to pay its debts as and when they fall due;

(e) the President and another Committee Member be and are authorised to sign a Declaration to this effect .

 in favour against **(tick or circle one only)**

(signed) (print name)

confidential

INTERNATIONAL PEN SYDNEY CENTRE Inc.

Incorporated as an Association in NSW : 9874482

Freedom to write freedom to read



2010 ANNUAL ACCOUNTS

Sydney Pen Centre
5 Blackfriars St Chippendale 2008
Tel: 1300 364 997
Email: pen@pen.org.au
www.pen.org.au

INTERNATIONAL PEN SYDNEY CENTRE Inc.

Committee's Report for the year ended 31 December 2010

Your Committee is pleased to submit the financial accounts for the 2010 Financial Year.

Committee members

The names of committee members at the date of this report are:

Bonny Cassidy - President	Simeon Beckett
Michael Fraser AM – Vice President	Carol Dettmann
Sandy Symons – Vice President	Susie Eisenhuth
Peter Eichhorn – Treasurer	Gail Jones
Debra Adelaide	Christopher Michaelson

Principal Activities

The principal activities during the financial year were to uphold the Charter of International PEN.

Significant changes

No significant changes occurred in the nature of these activities during the year.

Operating results

The operating deficit for the year was \$24,387, compared to a surplus last year of \$18,400.

This report is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Bonny Cassidy - President

Peter Eichhorn – Treasurer

Dated

Statement by members of the Committee for the year ended 31 December 2010

In the opinion of the Committee, the accompanying accounts:

1. Present fairly the financial position of International Pen Sydney Centre Inc. as at 31 December 2010 and the results of the Incorporated Association for the year ended on that date in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement there are reasonable grounds to believe that the Incorporated Association will be able to pay its debts as and when they fall due.

This report is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Bonny Cassidy - President

Peter Eichhorn – Treasurer

Dated

INTERNATIONAL PEN SYDNEY CENTRE Inc.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
Revenue from ordinary activities	2	69,189	129,410
Expenses	3	(93,576)	(111,010)
(Deficit) / surplus before income tax expense		(24,387)	18,400
Income tax (expense)		-	-
Net (deficit) / surplus from ordinary activities after income tax		(24,387)	18,400

BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	13	69,877	110,963
Trade and other receivables	7	604	4,858
		70,481	115,821
Fixed assets			
Website	8	8,470	3,135
		8,470	3,135
Total assets		78,951	118,956
LIABILITIES			
Current liabilities			
Trade and other payables	9	870	918
Income received in advance	10	7,963	23,533
		8,833	24,451
Total liabilities		8,833	24,451
Net assets		70,118	94,505
MEMBERS' EQUITY			
Retained earnings		70,118	94,505

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
OPENING BALANCE		94,505	76,105
Net recognised (deficit) / surplus for the period		(24,387)	18,400
CLOSING BALANCE		70,118	94,505

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

INTERNATIONAL PEN SYDNEY CENTRE Inc.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fees, donations, sponsorship and activities		55,880	133,112
Payments to suppliers		<u>(87,396)</u>	<u>(108,008)</u>
Net cash (used) / provided / by operating activities		(31,516)	25,104
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES			
Website		<u>(9,570)</u>	<u>(3,135)</u>
Net cash (used) by investing activities		(9,570)	(3,135)
Net (decrease) / increase in cash held	14	<u>(41,086)</u>	21,969
Cash at the beginning of the financial year		110,963	88,994
CASH AT THE END OF THE FINANCIAL YEAR		<u>69,877</u>	<u>110,963</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 December 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the financial statements and accompanying notes of International Pen Sydney Centre Inc as an individual entity for the year ended 31 December 2010. The entity is incorporated as an Association under the (NSW) Associations Incorporation Act 1981 and domiciled in the State of New South Wales, Australia. Its registered office and principal place of business are 5 Blackfriars St Chippendale, NSW 2008.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the reporting requirements of the NSW Office of Fair Trading.

Reporting basics and conventions

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The association has elected to adopt the exemptions available under:

- AASB 1 relating to AASB 132 Financial Instruments : Disclosure and Presentation
- AASB 139 Financial Instruments : Recognition and Measurement.

Accounting policies

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. These have been consistently applied, unless otherwise stated.

(a) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in preparation for the current financial year.

(b) Tax

The entity is not expected to incur a liability for Income Tax under the Income Tax Assessment Act and is not registered for gst.

(c) Cash and cash equivalents

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

(d) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no later than 30 days. Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the income statement.

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given at the date of exchange plus costs directly attributable to acquisition.

INTERNATIONAL PEN SYDNEY CENTRE Inc.

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 December 2010 (cont)

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Depreciation of property, plant and equipment

Each class of plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation. The depreciable amount of all non-current assets are depreciated on a straight line basis over the useful lives of the assets to the Association, commencing from the time the asset is held ready for use. The useful lives for depreciable assets are:

- Website development : 3 years

(h) Intangible assets

Costs for intangible assets are stated at historical cost less accumulated amortisation and impairment losses. They are amortised using the straight line method over their estimated useful lives. There were no intangible assets held during the period.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost or for nominal consideration are valued at the current replacement cost as at the date of acquisition. There were no inventories held at balance date

(k) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year have been measured at the amounts expected to be paid when the liability is settled plus related costs. Other employee benefits payable later than one year are measured at the net present value. There were no employees during the period.

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. It is recognised for major business activities as follows:

- Member subscriptions : for the period of membership afforded by their receipt
- Grants, gifts and sponsorship : in accordance with any terms and conditions governing them
- All other income : upon receipt or when receivable

(m) Accounting policies and Standards

Adoption of New and Revised Accounting Standards

During the year, the Association has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations that became mandatory. The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of the Association.

AASB 101: Presentation of Financial Statements:

The Australian Accounting Standards Board has revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information with the financial statements. Below is an overview of the key changes and the impact on the Association's financial statements.

Disclosure impact:

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Statement of comprehensive income:

The revised AASB 101 requires all income and expenses to be presented in either one statement – the statement of comprehensive income, or two statements – a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement. The Association's financial statements now contain a statement of comprehensive income.

New Accounting Standards for Application in Future Periods:

The AASB has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future reporting periods and which the Association has decided not to early adopt. The Management Committee is of the view that these will not impact the future reporting requirements.

INTERNATIONAL PEN SYDNEY CENTRE Inc.

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 December 2010 (cont)

		2010	2009
		\$	\$
2. REVENUE			
	Operating activities		
	Membership	12,010	20,265
	Donations	34,074	17,539
	Sponsorship	15,648	80,302
	Events and partnerships	2,930	8,692
	Interest	4,527	2,612
		69,189	129,410
3. PROFIT FROM OPERATIONS			
	The net profit from ordinary activities is after charging expenses for:		
	Core activities		
	International program	6,850	2,169
	Local program	22,117	74,464
	Administration		
	Fundraising	4,827	2,080
	Governance	419	558
	Outsourced personnel	48,719	28,821
	Office and consumables	4,409	2,918
	Depreciation and amortisation	4,235	-
	Doubtful debts	2,000	-
		93,576	111,010
4. AUDITORS' REMUNERATION RECEIVED OR RECEIVABLE			
	The audit was undertaken at no cost to the association.	-	-
5. KEY MANAGEMENT PERSONNEL COMPENSATION			
	(a) Management Committee members		
	Details of each member of the Management Committee during the financial year are listed in Note 16. Committee members do not receive any compensation, other than reimbursement for any reasonable expenses incurred in performing their duties as committee members.		
	(b) Compensation paid to non-executive Management Committee members		
	Non-executive committee members do not receive any compensation, other than reimbursement for any reasonable expenses incurred in performing their duties as committee members.		
	(c) Compensation paid to other key management personnel		
	There were no other kmp.		
	(d) Other transactions and balances with key management personnel		
	No kmp has entered into a material contract with the association since the end of the financial year and there were no material contracts involving kmp's interests subsisting at balance date.	-	-
6. RELATED PARTY DISCLOSURES			
	No Management Committee member has entered into a material contract with the association since the end of the previous financial year and there were no material contracts involving committee members' interests subsisting at balance date.	-	-
7. TRADE AND OTHER RECEIVABLES			
	Debtors	2,500	4,761
	Less Doubtful debts	(2,000)	-
	Prepayments	104	97
		604	4,858
8. PROPERTY, PLANT AND EQUIPMENT			
	Website – at cost	12,705	3,135
	Accumulated amortisation	(4,235)	-
		8,470	3,135
	Movements in carrying amounts during the year were:		
	Beginning of year	3,135	-
	Additions	9,570	3,135
	Amortisation expense	(4,235)	-
	Carrying amount at end of year	8,470	3,135
9. TRADE AND OTHER PAYABLES			
	Creditors	870	918
		870	918

INTERNATIONAL PEN SYDNEY CENTRE Inc.

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 December 2010 (cont)

		2010	2009
		\$	\$
10. INCOME RECEIVED IN ADVANCE			
Member subscriptions		4,593	4,515
Sponsorship		3,370	19,018
		7,963	23,533
11. PROVISIONS			
Short term			
Doubtful debt			
Balance at beginning of the year		-	-
Provided during the year		2,000	-
Balance at the end of the year		2,000	-
12. COMMITMENTS FOR EXPENDITURE			
There are no commitments for expenditure that are not reflected in the Balance Sheet.		-	-
13. CONTINGENT LIABILITIES			
There are no contingent liabilities that are not reflected in the Balance Sheet.		-	-
14. CASH FLOW INFORMATION			
Reconciliation of cash			
Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the Balance Sheet as follows:			
Cash and cash equivalents		69,877	110,963
Reconciliation of cash flow from operations with the profit for the year			
(Deficit) / surplus for the year		(24,387)	18,400
Non-cash items included in the (deficit) / surplus:			
Depreciation and amortisation		4,235	-
Provisions		2,000	-
Changes in assets and liabilities:			
(Decrease) in payables		(48)	(3,127)
(Decrease) / increase in income received in advance		(15,570)	10,195
Decrease / (increase) in receivables		2,254	(364)
(Increase) in fixed assets		(9,570)	(3,135)
Net cash (used) / provided by operations		(41,086)	21,969
15. SEGMENT REPORTING			
The Association's activities comprise a single industry and geographic segment. They involve upholding the Charter of International PEN within Australia.			
16. COMMITTEE MEMBERS			
Committee members in office at the date of this report are given in the Committee's Report.			
Committee members in office during the year but not in office at the date of this report were:			
Nicola McGarrity	Julie Rose		
Jane Owen	Jennifer Wong		