

# **Writing WA Inc**

ABN: 18 190 386 787

## **GENERAL PURPOSE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

# Writing WA Inc

ABN: 18 190 386 787

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# **Writing WA Inc**

ABN: 18 190 386 787

## **AUDITORS INDEPENDENCE DECLARATION**

For the Year Ended 31 December 2008

### **Auditor's independence declaration to the Board of Management of Writing WA Inc**

In relation to our audit of the financial report of Writing WA Inc for the period ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**R. J. Campbell & Associates**

**Date:**

# Writing WA Inc

ABN: 18 190 386 787

## INDEPENDENT AUDIT REPORT

For the Year Ended 31 December 2008

### SCOPE

#### **The financial report and the Board of Management responsibility**

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the statement by the Board of Management for the year ended 31 December 2008.

The Board of Management of Writing WA Inc is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporation Act WA (1987). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### AUDIT APPROACH

We conducted an independent audit in order to express an opinion on it to the members of Writing WA Inc, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, a view which is consistent with our understanding of Writing WA Inc's financial position, and of its performance as represented by the results of its operations.

We formed our audit opinion on the basis of these procedures, which included examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board of Management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedure, our audit was not designed to provide assurance on internal controls.

# Writing WA Inc

ABN: 18 190 386 787

## INDEPENDENT AUDIT REPORT

For the Year Ended 31 December 2008

### INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### AUDIT OPINION

In our opinion, the financial report of Writing WA Inc presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Writing WA Inc as at 31 December 2008 and the results of its operations for the year then ended.

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**R. J. Campbell CPA**

**Date:**

# Writing WA Inc

ABN: 18 190 386 787

## BOARD OF MANAGEMENT REPORT

For the Year Ended 31 December 2008

The Board of Management presents the report on Writing WA Inc for the financial year ended 31 December 2008.

The Board of Management has been in office since the start of the financial year to the date of this report unless otherwise stated.

The net profit of Writing WA Inc for the financial year ended 31 December 2008 after providing for income tax amounted to \$48,233.

A review of the operations of the Association during the financial year and the results of those operations are as follows:

The principal activity of the Association during the financial year was the support and development of writing as a cultural activity in Western Australia.

During the period, Writing WA Inc applied Australian Equivalents to International Financial Reporting Standards (AIFRS) for financial reporting purposes.

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**Delys Bird (Chairperson)**

**Date:**

# Writing WA Inc

ABN: 18 190 386 787

## STATEMENT BY THE BOARD OF MANAGEMENT

For the Year Ended 31 December 2008

In the opinion of the Board of Management of Writing WA Inc:

The financial report presents a true and fair view of the financial position of Writing WA Inc as at 31 December 2008, and its performance for the year ended on that date, in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The operations of Writing WA Inc have been carried out in accordance with its constitution.

At the date of this statement, there are reasonable grounds to believe that Writing WA Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:

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**Member of Board**

**Date:**

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**Member of Board**

**Date:**

# Writing WA Inc

ABN: 18 190 386 787

## INCOME STATEMENT

For the Year Ended 31 December 2008

	Note	2008 \$	2007 \$
<b>Continuing Operations</b>			
Revenue from Ordinary Activities	2a	250,264	290,563
Interest		10,845	7,282
Other Income	2b	21,043	12,749
<b>Revenue</b>		<u>282,152</u>	<u>310,594</u>
Employee Benefits Expenses		(81,710)	(118,405)
Project & Program Expenses	3a	(92,464)	(108,830)
Regional Programs	3b	(38,368)	(24,354)
Depreciation Expenses		(2,374)	(2,374)
Other Expenses	3c	(19,003)	(27,904)
<b>Profit from continuing operations before income tax</b>		<u>48,233</u>	<u>28,727</u>
Income Tax Expense		-	-
<b>Profit from continuing operations after income tax</b>		<u>48,233</u>	<u>28,727</u>

# Writing WA Inc

ABN: 18 190 386 787

## BALANCE SHEET

As At 31 December 2008

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	177,517	95,283
Trade and Other Receivables		-	6,014
Others	5	2,244	809
<b>Total Current Assets</b>		<u>179,761</u>	<u>102,106</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	651	3,025
<b>Total Non-current Assets</b>		<u>651</u>	<u>3,025</u>
<b>TOTAL ASSETS</b>		<u>180,412</u>	<u>105,131</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	10,583	12,768
Provisions	8	6,227	5,574
Other Liabilities	9	77,782	49,202
<b>Total Current Liabilities</b>		<u>94,592</u>	<u>67,544</u>
<b>TOTAL LIABILITIES</b>		<u>94,592</u>	<u>67,544</u>
<b>NET ASSETS</b>		<u>85,820</u>	<u>37,587</u>
<b>EQUITY</b>			
Retained earnings		85,820	37,587
<b>TOTAL EQUITY</b>		<u>85,820</u>	<u>37,587</u>

# Writing WA Inc

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## CASH FLOW STATEMENT

For the Year Ended 31 December 2008

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government		355,809	269,121
Other receipts		27,833	26,846
Interest received		10,845	7,281
Payments to suppliers and employees		(312,253)	(272,386)
<b>Net cash flows from operating activities</b>	<b>11b</b>	<u>82,234</u>	<u>30,862</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		-	-
<b>Net cash flows from investing activities</b>		<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing		-	-
Repayment of borrowings		-	-
Payments for leasing		-	-
<b>Net Cash flows from financing activities</b>		<u>-</u>	<u>-</u>
<b>NET CASH MOVEMENT</b>			
Net increase/(decrease) in cash		82,234	30,862
Cash at the beginning of the reporting period		<u>95,283</u>	<u>64,421</u>
<b>Cash at the end of the reporting period</b>	<b>11a</b>	<u><u>177,517</u></u>	<u><u>95,283</u></u>

# Writing WA Inc

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## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2008

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 31 December 2007</b>	<u>37,587</u>	<u>37,587</u>
Surplus for the year ending 31 December 2008	48,233	48,233
<b>Balance at 31 December 2008</b>	<u><u>85,820</u></u>	<u><u>85,820</u></u>

# Writing WA Inc

ABN: 18 190 386 787

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Writing WA Inc as an individual entity. Writing WA Inc is an Association and subject to the Associations Incorporation Act (WA) 1987. The financial report of Writing WA Inc complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

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

#### a Income Tax

Writing WA Inc is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

#### b Fund Accounting

On occasions Writing WA Inc may receive resources restricted for particular purposes. To facilitate observance of these limitations, the financial statements disclose separately those funds which are restricted or designated and those funds which are unrestricted.

Unrestricted funds are those funds presently available for use by Writing WA Inc at the discretion of the Board of Management.

#### c Revenue

##### Contract Income

Revenue from contracts is recognised when the claim has been made with the client and to match service delivery. Monies received in advance by Writing WA Inc are recorded as Deferred Income.

##### Accounting for Grants Received

Grants received are accounted for by distinguishing grants between revenue based grants and capital based grants.

##### Revenue based grants

These grants are credited to revenue in the same period in which the revenue expenditure to which they relate is charged.

##### Capital Based Grants

These grants are generally received for the acquisition of plant and equipment. The accounting treatment is to initially account for the amount of the grant as income when it is received. However recognition in the income and expenditure statement is deferred until the expenditure in respect of the acquisition of an asset is incurred.

# Writing WA Inc

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

### Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

### d Property, Plant and Equipment

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

#### Property

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

#### Depreciation

The depreciable amount of all plant and equipment are depreciated over the useful lives of the assets commencing from the time the asset is held ready for use. For plant and equipment acquired prior to July 2001, the assets are depreciated on a diminishing value method and a straight line method for assets acquired from 1 July 2001.

The depreciation rates used for each class of asset are as follows:

Plant and equipment 10 - 33%

### e Employee Benefits

Provision is made for liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits. Contributions made to employees' accumulation superannuation funds, are charged as expenses when incurred.

### f Cash

For the purpose of the statement of cash flows, cash includes deposits at call with banks or financial institutions which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

# Writing WA Inc

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

**g Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**h Comparatives**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

# Writing WA Inc

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

	2008	2007
	\$	\$
<b>2 INCOME</b>		
<b>a Revenue from Ordinary Activities</b>		
<b>Grants &amp; Subsidies</b>		
Department of Culture & the Arts	132,445	152,120
Australia Council	50,796	57,351
Other Grants & Subsidies	60,192	63,565
Sponsorship Income	6,831	17,527
	<u>250,264</u>	<u>290,563</u>
<b>b Other Income</b>		
Administration & Management fees	13,418	-
Membership Dues	7,500	7,000
Miscellaneous	125	5,749
	<u>21,043</u>	<u>12,749</u>
<b>3 Expenses from Ordinary Activities</b>		
<b>a Projects &amp; Programs</b>		
Community Projects & Programs	60,075	45,503
Conference Attendance	1,780	-
Mentoring & Professional Development	18,350	35,591
Poetry Action Plan	12,259	27,736
	<u>92,464</u>	<u>108,830</u>
<b>b Regional Programs</b>		
Regional Writers Festival	30,000	15,000
Regional travel	659	976
Regional Writing Group Libraries	7,709	8,378
	<u>38,368</u>	<u>24,354</u>

# Writing WA Inc

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

### C Others

Communications	4,654	5,842
Insurance	3,137	3,152
Office Costs	6,681	8,813
Audit Fee	3,000	3,609
Marketing Expenses	1,273	6,376
Bank charges	258	112
	<u>19,003</u>	<u>27,904</u>

### 4 Cash and Cash Equivalents

Cash on Hand	50	50
Cash at Bank	177,467	95,233
	<u>177,517</u>	<u>95,283</u>

### 5 Others

Prepayments	850	809
NAB Visa Card	1,394	-
	<u>2,244</u>	<u>809</u>

### 6 Property, Plant and Equipment

Equipments at Cost	7,123	7,123
Less Accumulated Depreciation	(6,472)	(4,098)
	<u>651</u>	<u>3,025</u>

### 7 Trade and Other Payables

Accounts Payable	4,112	2,877
Accruals	3,738	4,154
PAYG - Employees	4,702	6,615
Tax Payable	(1,969)	(878)
	<u>10,583</u>	<u>12,768</u>

### 8 Provisions

Provision for Superannuation	1,840	-
Provision for Annual Leave	4,387	5,574
	<u>6,227</u>	<u>5,574</u>

# Writing WA Inc

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

### 9 Other Liabilities

Unexpended Grants	77,782	49,202
Total Other Liabilities	<u>77,782</u>	<u>49,202</u>

### 10 Accumulated Members Funds

Retained Earnings	37,587	8,860
Net Income	<u>48,233</u>	<u>28,727</u>
Total Accumulated Funds	<u>85,820</u>	<u>37,587</u>

### 11 CASH FLOWS INFORMATION

#### a Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to related items in the Statement of Financial Position as follows:

Cash on hand	50	50
Cash at Bank	<u>177,467</u>	<u>64,371</u>
	<u>177,517</u>	<u>64,421</u>

#### b Reconciliation of Cash Flows from Operations with net income after tax

Net Income after tax	48,233	28,727
Non-Cash flows in Net Income		
Depreciation and amortisation	2,374	2,374
Change in Assets and Liabilities		
(Increase)/decrease in receivables	6,014	(9)
(Increase)/decrease in prepayments	(42)	(101)
Increase/(decrease) in payables	(3,579)	3,947
Increase/(decrease) in unspent grants	28,580	(7,337)
Increase/(decrease) in provisions	<u>654</u>	<u>3,260</u>
Net cash provided by operating activities	<u>82,234</u>	<u>30,862</u>

### 12 FINANCIAL INSTRUMENTS DISCLOSURE

#### a Credit risk

The maximum exposure to credit risk excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

Writing WA Inc does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments which the Association has entered into.

# Writing WA Inc

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

### b Net Fair Values

The financial assets and financial liabilities included in current assets and current liabilities in the balance sheet are carried at amounts that approximate their net fair values.

## 13 RELATED PARTY INFORMATION

### a Members of the Board of Directors

The Board members act in a voluntary capacity and do not receive any remuneration. There are no related party transactions.

### c Compensation by category: Key Personnel

The remuneration of the Chief Executive is set by the Board at an annual rate plus superannuation of 9%.

	2008	2007
	\$	\$
CEO's Remuneration	63,681	60,593

### d Superannuation contributions

The members of the Board do not receive nor are entitled to any superannuation contribution .

## 14 AUDITORS REMUNERATION

In the course of the year ending 31 December 2008 , the Auditor received the following remuneration:

	2008	2007
	\$	\$
Audit Fees	3,000	3,609

## 15 ECONOMIC DEPENDENCY

The Association is dependent upon continued support from its principal funding bodies, namely, Department of Culture and the Arts and Australia Council of the Arts.

## 16 LEASE COMMITMENT

The Association has in place a lease to occupy premises at the Alexander Library, at a rental of \$2 per annum, commencing at 6 March 2006.

# Writing WA Inc

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2008

### 17 SEGMENT INFORMATION

Writing WA Inc operates predominantly in one business and geographic segment, being in the provision of cultural services in Western Australia.

### 18 ASSOCIATION DETAILS

The principal place of business of Writing WA Inc is:

Ground Floor  
Alexander Library Building  
Perth Cultural Centre  
PERTH WA 6000