

INSTITUTE OF PROFESSIONAL EDITORS LIMITED

ACN 129 335 217

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2011.

The directors in office at any time during or since the end of the financial year were:

Robin Christine Bennett	<i>Director</i>	
Edwin Spencer Briggs	<i>Director</i>	
Rosemary Truda Luke	<i>Director</i>	
Rosemary Isabel Noble	<i>Director</i>	
Pamela Hardy Peters	<i>Director</i>	
Elizabeth Jane Spiegel	<i>Director</i>	<i>Appt February 2011</i>
Josephine Margaret Smith	<i>Director</i>	<i>Appt June 2011</i>
Anne Surma	<i>Director</i>	<i>Resigned May 2011</i>
Christina Carol Thornton	<i>Director</i>	<i>Resigned February 2011</i>

The profit (loss) of the company for the financial year was: \$ 3,648

A review of the operations of the company during the financial year and the results of those operations found that, during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

There were no significant changes in the state of affairs of the company during the financial year.

The principal activity of the company during the financial year was to advance the profession of editing. It is the nationally recognised representative of the editing profession in Australia. The members of the company are the state societies of editors and the Canberra Society of Editors.

No matters or circumstances have arisen since the end of the financial year that 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.

Likely developments in the operations of the economic entity and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the economic entity.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

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DIRECTORS' REPORT

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company, other than a Professional Association Liability insurance policy and Voluntary Workers Accident insurance

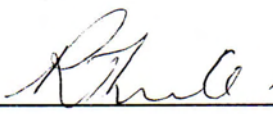
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

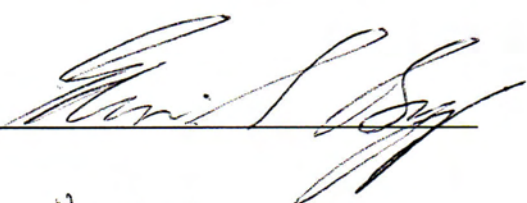
The company was not a party to any such proceedings during the year.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found attached to this report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

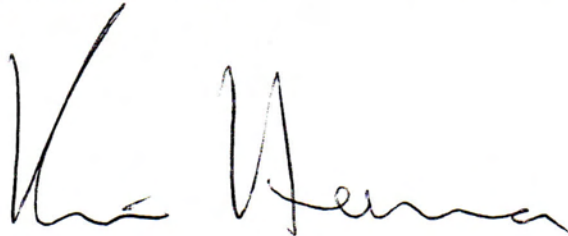
Director: 

Dated: 7th September, 2011

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INSTITUTE OF PROFESSIONAL
EDITORS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any application code of professional conduct in relation to the audit.



Kim Hanna FCA
Registered Company Auditor

Dated:

1/9/11

c/- Houston & Hanna
GPO Box 810
Canberra ACT 2601

INSTITUTE OF PROFESSIONAL EDITORS LIMITED

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

2010		2011
\$		\$
	INCOME	
42,575	Exam Income	34,870
32,970	Member subscriptions	42,075
855	Interest income	1,406
2,944	Miscellaneous	20
<u>79,344</u>	TOTAL INCOME	<u>78,371</u>
	EXPENSES	
2,144	Accounting & Bookkeeping	1,212
1,320	Audit Fee	1,430
15,475	Administration costs	32,309
33,734	Exam Expenses	31,156
737	Teleconference expenses	1,136
553	Travel & accommodation costs	290
3,332	Insurance	3,909
4,023	Other costs	39
5,068	Income Tax Expense	3,242
<u>66,387</u>	TOTAL EXPENSES	<u>74,723</u>
<u>12,957</u>	Profit (loss) from ordinary activities	<u>3,648</u>

**Statement of Recognised Income and Expenditure for the Year Ended
30 June, 2011**

11,678	Balance as at 01 July 2010	24,635
12,957	Profit/(loss) attributable to the company	3,648
<u>24,635</u>	Balance as at 30 June 2011	<u>28,283</u>

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

2010		2011
\$		\$
	ASSETS	
	<u>Current Assets</u>	
28,818	Cash at Bank	35,430
2,851	Prepayments & Income Tax Instalments made	2,515
<u>31,669</u>	TOTAL ASSETS	<u>37,945</u>
	LIABILITIES	
	<u>Current Liabilities</u>	
5,000	Loan from Society of Editors (SA) Inc	5,000
2,034	Sundry creditors	4,662
<u>7,034</u>	TOTAL LIABILITIES	<u>9,662</u>
<u>24,635</u>	NET ASSETS	<u>28,283</u>
	MEMBERS' FUNDS	
24,635	Accumulated funds (losses)	28,283
<u>24,635</u>	TOTAL MEMBERS' FUNDS	<u>28,283</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

2010		2011
\$	CASH FLOW FROM OPERATING ACTIVITIES	\$
32,970	Member subscriptions	42,075
45,519	Accreditation & General Receipts	34,890
855	Interest income	1,406
<u>(71,594)</u>	Payments to suppliers	<u>(71,759)</u>
<u>7,750</u>	Net cash provided by operating activities	<u>6,612</u>
<u>7,750</u>	Net increase in cash held	<u>6,612</u>
<u>21,068</u>	Cash at beginning of financial year	<u>28,818</u>
<u>28,818</u>	Cash at end of financial year	<u>35,430</u>

NOTE Reconciliation of cash flow from operations with net income

12,957	Profit/(Loss) for Year	3,648
(632)	Decrease (increase) in Prepayments	338
(10,355)	Increase (decrease) in Prepaid Exam Registration Fees	-
5,000	Increase (decrease) in Loan	-
780	Increase (decrease) in Creditors	2,626
<u>7,751</u>	Cash flow from operations	<u>6,612</u>

INSTITUTE OF PROFESSIONAL EDITORS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 2: COMPANY DETAILS

The registered office of the company is:

Institute of Professional Editors Limited
C/- Houston & Hanna
Suite 15 George Turner Offices
11 McKay Gardens
TURNER ACT 2612

The company was incorporated on 22 January 2008.

NOTE 3: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. As at 30 June 2011 the number of members was 7.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report which has been prepared in accordance with the Australian Accounting Standard, other authoritative pronouncements and the Corporations Act 2001.

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

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Income tax

No provision has been made for income tax as the Company is exempt from taxation under Section 50-5 of the Income Tax Assessment Act 1997. However, if the Company has a surplus from non-member activities there is an likelihood that some income tax may be due on this surplus.

b. 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 losses.

Where an asset is acquired at no cost, the cost is its fair value as at the date of acquisition

The carrying amount of the assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amounts of all fixed assets are depreciated on a diminishing value basis over their useful lives to the Company' commencing from the time the asset is held ready for use.

c. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

d. Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

e. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

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

f. Revenue

Government Grants

Government grants are recognised as income on a systematic and rational basis over the periods necessary to match them with the related costs

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the entity has passed control of the goods or other assets to the buyer.

Interest revenue

Interest is recognised on an accrual basis.

g. Comparative Figures

When required by accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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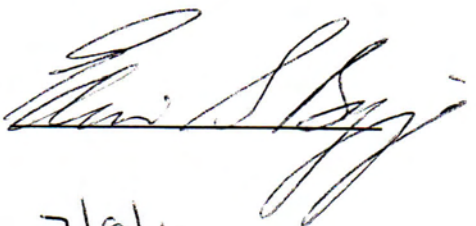
DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out in the attached accounts:
 - (a) comply with Accounting Standards and the Corporations Act 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and performance for the financial year ended on that date of the company.
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 

Director: 

Dated: 7/9/11

Dated: 7/9/11

HOUSTON & HANNA

CHARTERED ACCOUNTANT

K D Hanna FCA (Principal)

Telephone: (02) 6249 8515
(02) 6248 8175
Facsimile: (02) 6249 6792

Suite 15, George Turner Offices
11 McKay Gardens, Turner ACT
GPO Box 810, Canberra ACT 2601

email: kim@khanna.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE INSTITUTE OF PROFESSIONAL EDITORS LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the members of the Institute of Professional Editors Limited, for the financial year ended 30 June 2011.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. 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

I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance 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 controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001 and Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the directors.

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

The audit opinion expressed in this report has been formed on the above basis.

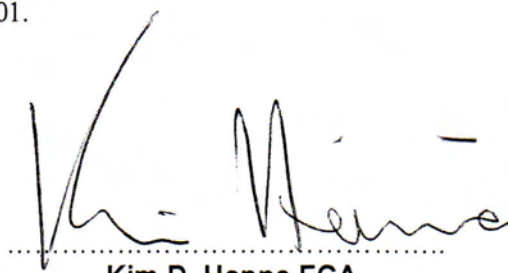
Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In my opinion, the financial report of the Institute of Professional Editors 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 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

A handwritten signature in black ink, appearing to read 'Kim D. Hanna', written over a horizontal dotted line.

Kim D. Hanna FCA

Registered Company Auditor

Dated: 7th September, 2011