

***The New Zealand Society of Authors
(Pen New Zealand Incorporated)
Financial Report
For the Year Ended 31st December 2014***

Contents	Page
Society Directory	1
Auditor's Report	2
Statement of Financial Performance - Head Office	3
Statement of Financial Performance - Auckland Branch	5
Statement of Financial Performance - Bay of Plenty Branch	6
Statement of Financial Performance - Canterbury Branch	7
Statement of Financial Performance - Central Districts	8
Statement of Financial Performance - Hamilton Branch	9
Statement of Financial Performance - Northland Branch	10
Statement of Financial Performance - Otago/Southland Branch	11
Statement of Financial Performance - TOS Branch	12
Statement of Financial Performance - Wellington Branch	13
Statement of Financial Performance - Consolidated	14
Statement of Movements in Equity	16
Statement of Financial Position	17
Schedule of Fixed Assets and Depreciation	18
Notes to the Accounts	19

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Society Directory
As at 31st December 2014

Executive

President - Kyle Mewburn

Chief Executive - Jackie Dennis

Bankers

Bank of New Zealand

Nature of Business

Association of Authors

Auditor

Don Hounsell

Accountant

Kingston Accountants Limited

Don Hounsell
Chartered Accountants

B1/129 Onewa Road
PO Box 34 859
Birkenhead
Auckland 0746
Tel: 09 418 2729
Fax: 09 418 2769
a h Tel: 09 418 3184
office@hounsell.co.nz

The New Zealand Society of Authors (PEN NZ) Inc
Auditor's Report
for the Year Ended 31 December 2014

To the readers of the Financial Reports of The New Zealand Society of Authors (PEN NZ) Inc

I have audited the financial statements on pages 3 to 23 which comprise the Statement of Financial Position as at 31 December 2014, the Statement of Financial Performance and Statement of Movements in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

The National Council's responsibilities

The National Council are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

It is my responsibility to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with International Standards on Auditing (New Zealand). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

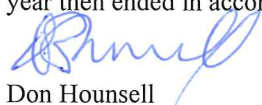
Other than in my capacity as auditor I have no relationship with, or interests in the New Zealand Society of Authors (PEN NZ) Inc.

Basis for Qualified Opinion on Financial Position and Financial Performance

Control over income, prior to being recorded, is limited and there are no practical audit procedures to determine the effect of this limited control.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph the financial statements on pages 3 to 23 give a true and fair view of the financial position of The New Zealand Society of Authors (PEN NZ) Inc as at 31 December 2014, and of its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Don Hounsell
Chartered Accountant, Auckland
14 May 2015

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance - Head Office
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
Sale of Publications	1,358	2,078
Advertising	5,998	8,646
MS Appraisal Service Fees	984	1,070
NZ Author Subscriptions	822	1,761
Program Fee	2,830	4,370
Administration Fee	5,751	2,039
Subs From Members	133,992	161,009
Grant - ASB Trust	-	20,000
Grant - Creative NZ	67,075	62,900
Grant - CLNZ	-	8,000
Grant - Mentor Scheme Balances	-	7,160
Grant - Asian NZ Foundation	-	2,000
Grant - Pub Charity	3,800	-
Grant - Janet Frame Trust	5,000	-
Interest Received	3,564	4,067
Donations to NZSA	827	1,505
Sponsorship	-	-
Sundry Income	1,748	12,440
Total Income	<u>233,748</u>	<u>299,045</u>
Cost of Sales		
Purchases of Publications	201	2,071
Total Income	<u>233,547</u>	<u>296,973</u>
Less Expenses		
Accident Compensation Levy	38	448
Accountancy Fees	6,261	7,706
Audit Fees	3,509	2,567
Assessment Programme	7,310	7,235
Bank Charges	140	145
Branch Grant Distributed	5,000	5,175
Branch Capitation	2,133	2,322
Capitation -AGM	1,000	1,000
Computer Expenses	1,159	73
Contractors	15,746	39,295
Donations	60	-
General Expenses	1,266	1,537
Honorariums	6,930	10,000
Insurance	1,884	1,000
Meeting Fee	2,100	3,100
Mentors	24,963	21,735
MS Appraisal Service	3,701	2,890
Other Office Expenses	764	465
PEN Expenses	532	503
Printing, Stamps & Stationery	13,500	19,681
Prizes, Awards and Judges	7,549	23,861
Professional Development	170	91

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance - Head Office
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
Promotion & Marketing	827	1,459
Rents	10,333	12,000
Subscriptions	517	400
Telephone, Tolls & Internet	2,034	1,657
Travel	10,726	12,597
Type Setting & Design	3,050	3,516
Wages & Salaries	109,192	81,610
Website Expenses	960	1,400
Total Expenses	<u>243,353</u>	<u>265,468</u>
Net Surplus Before Depreciation	(9,805)	31,505
Less Depreciation Adjustments		
Depreciation	573	479
Loss on Sale	56	-
Net Depreciation Adjustment	<u>629</u>	<u>479</u>
NET SURPLUS/(DEFICIT)	<u><u>(\$10,434)</u></u>	<u><u>\$31,026</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance - Auckland Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
Sale of Publications	-	87
NZSA Capitation Received	797	884
Donations Received	3,914	2,060
Sundry Income	243	666
Total Income	<u>4,954</u>	<u>3,698</u>
Less Expenses		
Bank Charges	10	3
Contractors	-	1,276
Donations	50	-
General Expenses	247	525
Meeting Fee	1,794	1,775
Printing, Stamps & Stationery	-	678
Prizes, Awards and Judges	50	1,045
Travel	-	301
Total Expenses	<u>2,151</u>	<u>5,603</u>
NET SURPLUS/(DEFICIT)	<u>\$2,803</u>	<u>(\$1,905)</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance -Bay of Plenty Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
Programme Fees	-	35
Workshop seminars	-	270
Interest Received	0	-
Donations Received	<u>345</u>	<u>-</u>
Total Income	<u><u>345</u></u>	<u><u>304</u></u>
Less Expenses		
Bank Charges	-	2
Contractors	-	400
Donations	-	40
Printing, Stamps & Stationery	8	-
Prizes, Awards and Judges	<u>700</u>	<u>500</u>
Total Expenses	<u>708</u>	<u>941</u>
NET SURPLUS/(DEFICIT)	<u><u>(\$363)</u></u>	<u><u>(\$637)</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance -Canterbury Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
NZSA Capitation Received	203	215
Workshop seminars	663	-
Grants Received - Canterbury	5,000	5,175
Grant - Other	-	600
Interest Received	14	8
Donations Received	60	72
Sundry Income	191	-
Total Income	<u>6,131</u>	<u>6,070</u>
Less Expenses		
Bank Charges	2	-
Contractor	3,370	2,170
Donations	100	40
General Expenses	1,639	1,271
Meeting Fee	243	387
Prizes, Awards and Judges	50	600
Total Expenses	<u>5,403</u>	<u>4,468</u>
NET SURPLUS/(DEFICIT)	<u>\$728</u>	<u>\$1,602</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance -Central Districts
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
NZSA Capitation Received	196	215
Programme Fees	44	1,333
Grant - Other	1,350	1,917
Interest Received	9	5
Sundry Income	<u>702</u>	<u>-</u>
Total Income	<u><u>2,301</u></u>	<u><u>3,470</u></u>
Less Expenses		
Bank Charges	2	-
General Expenses	-	265
Meeting Fee	25	-
Printing, Stamps & Stationery	77	21
Prizes, Awards and Judges	<u>1,485</u>	<u>1,446</u>
Total Expenses	<u>1,589</u>	<u>1,732</u>
NET SURPLUS/(DEFICIT)	<u><u>\$712</u></u>	<u><u>\$1,738</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance -Hamilton Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
NZSA Capitation Received	68	81
Interest Received	1	-
Donations Received	<u>267</u>	<u>65</u>
Total Income	<u><u>336</u></u>	<u><u>146</u></u>
Less Expenses		
Bank Charges	35	48
General Expenses	237	52
Meeting Fee	<u>60</u>	<u>143</u>
Total Expenses	<u>332</u>	<u>244</u>
NET SURPLUS/(DEFICIT)	<u><u>\$3</u></u>	<u><u>(\$98)</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance - Northland Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
Sale of Publications	-	203
NZSA Capitation Received	127	140
NZSA AGM Support	1,000	-
AGM Work Shop	5,134	-
Interest Received	17	25
Donations Received	793	-
Sundry Income	40	688
Total Income	<u>7,112</u>	<u>1,056</u>
Less Expenses		
NZSA AGM Expenses	3,488	-
Bank Charges	3	-
Contractors	1,075	-
Donations	-	85
General Expenses	204	533
Printing, Stamps & Stationery	26	-
Prizes, Awards and Judges	1,346	858
Total Expenses	<u>6,142</u>	<u>1,476</u>
NET SURPLUS/(DEFICIT)	<u>\$969</u>	<u>(\$420)</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance - Otago/Southland Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
NZSA Capitation Received	175	182
NZSA AGM Support	-	1,000
AGM Workshops	-	1,261
Workshop seminars	470	2,683
Grants Received - Creative Communities	700	-
Interest Received	8	8
Donations Received	-	500
Sundry Income	74	-
Total Income	<u>1,427</u>	<u>5,633</u>
Less Expenses		
NZSA AGM Expenses	-	2,238
Bank Charges	20	10
Contractor	2,250	1,364
General Expenses	-	113
Meeting Fee	308	261
Printing, Stamps & Stationery	-	51
Promotion & Marketing	-	52
Travel	-	52
Total Expenses	<u>2,578</u>	<u>4,142</u>
NET SURPLUS/(DEFICIT)	<u>(\$1,151)</u>	<u>\$1,491</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance -TOS Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Dec 2013</i>
REVENUE		
Sale of Publications	22	1,155
NZSA Capitation Received	140	147
Programme Fees	678	1,522
Workshop seminars	2,371	2,987
Interest Received	59	6
Donations Received	-	101
Sundry Income	200	17
Total Income	<u>3,470</u>	<u>5,935</u>
Less Expenses		
Bank Charges	-	3
Contractor	-	522
Donations	38	-
General Expenses	606	71
Meeting Fee	804	2,300
Printing, Stamps & Stationery	131	339
Prizes, Awards and Judges	400	774
Promotion & Marketing	889	24
Type Setting & Design	-	1,300
Total Expenses	<u>2,867</u>	<u>5,332</u>
NET SURPLUS/(DEFICIT)	<u>\$603</u>	<u>\$602</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance -Wellington Branch
For the Year ended 31st December 2014

	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE		
NZSA Capitation Received	427	459
Grant/Donation - Writers Walk	5,242	22,300
Interest Received	200	427
Donations Received	263	488
Sundry Income	<u>232</u>	<u>92</u>
Total Income	<u><u>6,366</u></u>	<u><u>23,765</u></u>
Less Expenses		
Contractors	-	24,739
General Expenses	6	1,283
Meeting Fee	188	78
Printing, Stamps & Stationery	9	-
Prizes, Awards and Judges	104	-
Promotion & Marketing	<u>6,461</u>	<u>32</u>
Total Expenses	<u>6,768</u>	<u>26,133</u>
NET SURPLUS/(DEFICIT)	<u><u>(\$402)</u></u>	<u><u>(\$2,367)</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance - Consolidated
For the Year ended 31st December 2014

	Note	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
REVENUE			
Advertising		5,998	8,646
MS Appraisal Service Fees		984	1,070
NZ Author Subscriptions		822	1,761
Programme Fees		3,552	7,260
Administration Fee		5,751	2,039
Workshop seminars		3,503	5,939
Sub from Members		133,992	161,009
Sale of Publications		1,380	3,523
AGM Workshops		5,134	1,261
Grants Received		83,168	124,877
Interest Received		3,872	4,547
Donations Received		6,469	4,791
Total Income		<u>254,624</u>	<u>326,722</u>
Cost of Sales			
Purchases of Publications		<u>201</u>	<u>2,071</u>
Gross Surplus from Trading		<u>254,423</u>	<u>324,650</u>
OTHER INCOME			
Sundry Income		<u>3,431</u>	<u>13,904</u>
Total Income		<u><u>257,855</u></u>	<u><u>338,554</u></u>
Less Expenses			
Accident Compensation Levy		38	448
Accountancy Fees		6,261	7,706
NZSA AGM Expenses		3,488	2,238
Audit Fees		3,509	2,567
Assessment Programme		7,310	7,235
Bank Charges		211	209
Computer Expenses		1,159	73
Contractors		22,442	69,767
Donations		248	165
General Expenses		4,206	5,650
Honorariums		6,930	10,000
Insurance		1,884	1,000
Meeting Fee		5,521	8,045
Mentors		24,963	21,735
MS Appraisal Service		3,701	2,890
Office Expenses		764	465
PEN Expenses		532	503
Printing, Stamps & Stationery		13,751	20,770
Prizes Awards & Judges		11,684	29,084
Professional Development		170	91
Promotion & Marketing		8,176	1,567
Rents		10,333	12,000
Subscriptions		517	400
Telephone, Tolls & Internet		2,034	1,657
Travel		10,726	12,950

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Performance - Consolidated
For the Year ended 31st December 2014

	Note	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
Type Setting & Design		3,050	4,816
Wages & Salaries		109,192	81,610
Website Expenses		<u>960</u>	<u>1,400</u>
Total Expenses		263,758	307,041
Less Depreciation Adjustments			
Depreciation		573	479
Loss on Sale		<u>56</u>	<u>-</u>
Net Depreciation Adjustment		<u>629</u>	<u>479</u>
SOCIETY INCOME BEFORE TAX		(6,533)	31,033
Less Taxation Provision	3	<u>871</u>	<u>1,048</u>
SOCIETY INCOME AFTER TAX		(7,404)	29,986

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Movements in Equity
For the Year ended 31st December 2014

	Note	<i>Year to end Dec 2014</i>	<i>Year to end Dec 2013</i>
EQUITY AT START OF PERIOD		66,939	80,440
SURPLUS & REVALUATIONS			
Net Deficit		(7,404)	<u>29,986</u>
Total recognised revenues & expenses		(7,404)	29,986
OTHER MOVEMENTS			
Prior Year Grants adjustment		-	(41,477)
Prior Year Tax Adjustment		-	(2,010)
EQUITY AT END OF PERIOD		<u>\$59,535</u>	<u>\$66,939</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Position
As at 31st December 2014

	Note	<i>Dec 2014</i> \$	<i>Dec 2013</i> \$
CURRENT ASSETS			
Bank Accounts	6	118,997	52,157
Petty Cash		1	2
Taxation	3	778	312
Accounts Receivable		2,833	865
Interest Accrued		296	415
Payments in Advance		104	362
Stock on Hand - Finished Goods		1,260	2,685
Total Current Assets		<u>124,269</u>	<u>56,799</u>
NON-CURRENT ASSETS			
Fixed Assets as per Schedule		2,963	1,013
Investments			
Investments	7	<u>67,162</u>	<u>86,788</u>
Total Non-Current Assets		<u>70,125</u>	<u>87,801</u>
TOTAL ASSETS		<u>194,393</u>	<u>144,600</u>
CURRENT LIABILITIES			
GST Due for payment	1(e)	12,798	1,971
Accounts Payable		190	0
Grants & Donations Held	5	107,735	67,878
Accrued Expenses		14,135	7,812
Total Current Liabilities		<u>134,858</u>	<u>77,661</u>
TOTAL LIABILITIES		<u>134,858</u>	<u>77,661</u>
NET ASSETS		<u>\$59,535</u>	<u>\$66,939</u>
Represented by;			
EQUITY			
Equity Movements		-	(43,487)
Retained Earnings		59,535	110,426
TOTAL EQUITY		<u>\$59,535</u>	<u>\$66,939</u>

The Financial Statements have been audited. The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Society

President _____

Chief Executive _____

Date _____

Date _____


NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Statement of Financial Position
As at 31st December 2014

	Note	Dec 2014 \$	Dec 2013 \$
CURRENT ASSETS			
Bank Accounts	6	118,997	52,157
Petty Cash		1	2
Taxation	3	778	312
Accounts Receivable		2,833	865
Interest Accrued		296	415
Payments in Advance		104	362
Stock on Hand - Finished Goods		<u>1,260</u>	<u>2,685</u>
Total Current Assets		<u>124,269</u>	<u>56,799</u>
NON-CURRENT ASSETS			
Fixed Assets as per Schedule		2,963	1,013
Investments			
Investments	7	<u>67,162</u>	<u>86,788</u>
Total Non-Current Assets		<u>70,125</u>	<u>87,801</u>
TOTAL ASSETS		<u>194,393</u>	<u>144,600</u>
CURRENT LIABILITIES			
GST Due for payment	1(e)	12,798	1,971
Accounts Payable		190	0
Grants & Donations Held	5	107,735	67,878
Accrued Expenses		<u>14,135</u>	<u>7,812</u>
Total Current Liabilities		<u>134,858</u>	<u>77,661</u>
TOTAL LIABILITIES		<u>134,858</u>	<u>77,661</u>
NET ASSETS		<u>\$59,535</u>	<u>\$66,939</u>
Equity			
Equity Movements		-	(43,487)
Retained Earnings		<u>59,535</u>	<u>110,426</u>
TOTAL EQUITY		<u>\$59,535</u>	<u>\$66,939</u>

The Financial Statements have been audited. The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Society

President 
 Date 14.5.2015

Chief Executive 
 Date 14-5-2015

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Depreciation Schedule
For the Year ended 31st December 2014

Asset	Private Use	Cost Price	Book Value 01/01/2014	Additions Disposals	Gain/Loss on Disposal	Capital Profit	---- Depreciation ----			Accum Deprec 31/12/2014	Book Value 31/12/2014
							Mth	Rate	\$		
Furniture & Fittings											
Cupboard		414	48				12	15.0% DV	7	373	41
Desk		555	114				12	12.0% DV	14	455	100
Cupboard		218	44				12	12.0% DV	5	179	39
Filing Cabinet		354	99				12	12.0% DV	12	267	87
Chair		278	91				12	12.0% DV	11	198	80
Chair		264	113				12	12.0% DV	14	165	99
Binding Machine		175	61				12	15.0% DV	9	123	52
Subtotal		2,258	570						72	1,760	498
Plant & Equipment											
Computer		666	15	0	(15)						0
Asuspro Notebook				2,579			3	50.0% DV	323	323	2,256
Brother MFC7340		483	41	0	(41)						0
Brother HL4050		711	60				12	48.0% DV	29	680	31
Dell Inspiron * 2		2,104	88				12	60.0% DV	53	2,069	35
Oki Printer		710	239				12	40.0% DV	96	567	143
Subtotal		4,674	443	2,579	(56)				501	3,639	2,465
TOTAL		6,932	1,013	2,579	(56)				573	5,399	2,963

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Notes to the Financial Statements
For the Year ended 31st December 2014

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements presented here are for the entity The New Zealand Society of Authors (Pen New Zealand Incorporated), an Incorporated Society registered under the Incorporated Society Act 1908. Section 23 of the Act requires the Association as an Incorporated Society to prepare an Annual Financial Statement.

The New Zealand Society of Authors (Pen New Zealand Incorporated) qualifies as an Exempt entity under the Financial Reporting Act 1993. These financial statements have been prepared in accordance with the Financial Reporting Act 1993.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

(a) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

(b) Disclosure of Internal Transactions

The policy of the society is to report all income and expenses of the head office and the branches in their individual report within the Financial Statements - this includes expenses of capitation fees and other expenses paid to the branches by head office, and those same fees received by the branches. In the consolidated statement of financial performance these are omitted, and the true income and expenses of the society as a whole are presented.

(c) Differential Reporting

The New Zealand Society of Authors (Pen New Zealand Incorporated) is a qualifying entity in that it qualifies for differential reporting as it is not publicly accountable and there is no separation between the owners and the governing body (or, is not large as defined under the Framework for differential reporting).

All differential reporting exemptions except FRS19 (Accounting for Goods and Services Tax) have been applied.

(d) Fixed Assets & Depreciation

The entity has the following classes of fixed assets;

Furniture & Fittings
Plant & Equipment
Plant & Equipment

All fixed assets are recorded at cost less accumulated depreciation.

Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 1994. The rates used are shown on the Schedule of Fixed Assets and Depreciation attached.

NOTE: This Statement is to be read in conjunction the accompanying Statement of Disclaimer.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Notes to the Financial Statements
For the Year ended 31st December 2014

(e) Goods & Services Tax

The Statement of Financial Performance and Statement of Cashflows (where included) have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of accounts receivable and payable.

(f) Taxation

The entity is a Not for Profit Incorporated Society and subject to an exemption from income tax received from within its circle of membership. The taxation disclosed is the expected liability after taking account of this exemption and the \$1,000 rebate allowable under current tax laws.

All grants received are earmarked for specific purposes, and expenses incurred match grants received.

Advertising income from publications and website is exceeded by expenses incurred to produce them.

All other income is generated within its circle of membership.

Only Interest and dividends are subject to income tax.

(g) Inventories

Inventories are recognised at the lower of cost, determined on a first in first out basis, and net realisable value.

Costs comprise direct material and labour as well as a proportion of fixed and variable production overheads.

(h) Investments

Investments are carried at the lower of cost and net realisable value.

(i) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

2. AUDIT

These financial statements have been subject to audit, please refer to Auditor's Report.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Notes to the Financial Statements
For the Year ended 31st December 2014

3. TAXATION

	2014	2013
	\$	\$
Interest Received	3,991	4,547
Dividend Received	-	-
	<u>3,991</u>	<u>4,547</u>
Last Year Reversal	415	610
	<u>4,406</u>	<u>5,157</u>
Less		
Current Year Accrual	296	415
Exemption Non Profit Body	1,000	1,000
	<u>1,296</u>	<u>1,415</u>
Net taxable income	<u>3,110</u>	<u>3,742</u>
Tax at 28%	<u>871</u>	<u>1,048</u>
Taxation - Last years Balance	312	-
RWT Paid	1,144	1,360
Net Income tax Paid	193	-
	<u>778</u>	<u>312</u>
Tax Position		

4. INVENTORY COMMITMENTS

No inventories whatsoever are specifically and separately pledged as security for liabilities. Inventories are generally subject to retention of title clauses.

5. GRANTS & DONATIONS HELD

The Liability of each branch reflects the independent financial position of that branch.

	2014	2013
	\$	\$
Grant/Donation Held - Writers' Walk	9,758	15,000
Grant Held - Creative NZ	58,500	9,575
Janet Frame Memorial Award	10,000	15,000
Mentor Scheme Balances	-	826
Lilian Ida Smith Bequest	27,477	27,477
Infinity Foundation	2,000	-
TOTAL	<u><u>\$107,735</u></u>	<u><u>\$67,878</u></u>

6. BANK ACCOUNTS OF THE SOCIETY

The Bank account of each branch reflects the independent financial position of that branch.

	2014	2013
	\$	\$
Head Office 000	76,468	17,937
Auckland Branch	5,260	2,564
Bay of Plenty Branch	-	356
Canterbury Branch	4,918	3,200
Central Districts Branch	4,105	3,093
Hamilton Branch	431	428
Northland Branch	2,447	1,486
Otago/Southland Branch	2,170	3,266
TOS Branch Main	1,047	4,145

NOTE: This Statement is to be read in conjunction the accompanying Statement of Disclaimer.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Notes to the Financial Statements
For the Year ended 31st December 2014

TOS Branch 238-01	-	0
Wellington Branch 00	1,435	4,618
Wellington Branch - 10	6,159	8,396
Head Office 002	7,023	274
Head Office 097	7,533	2,394
Total in Bank at 31 December	<u>\$118,997</u>	<u>\$52,157</u>

The Society has a credit card facility of \$4,000 - BNZ Business Visa - with a nil balance at 31 December 2014, nil balance 31 December 2013.

7. INVESTMENTS

All the investments in the society have been invested into bank term deposits.
The investment of each branch reflects the independent financial position of that branch.
Account numbers, interest rates, maturity dates and term deposits amounts are listed below:

Head Office : 0037945385-03014	4.30%	28 April 2015	17,447
Head Office :0037945385-03025	4.30%	2 June 2015	10,000
Head Office :0037945385-03079	4.30%	14 May 2015	5,000
Head Office : 0037945385-03082	4.30%	12 May 2015	5,000
Head Office : 0037945385-03086	3.65%	12 May 2015	6,448
Head Office : 0037945385-03094	4.30%	18 July 2015	6,000
Head Office :0205680329-03092	3.65%	15 March 2015	5,000
Wellington : 81006913 - 00004	2.00%	8 Jan 2015	4,642
Wellington : 81006913 - 00005	2.00%	8 Jan 2015	3,598
Top Of South : 031355-0632693-15	3.25%	24 Jan 2015	4,026
		TOTAL	<u><u>\$67,162</u></u>

NOTE: This Statement is to be read in conjunction the accompanying Statement of Disclaimer.

The New Zealand Society of Authors (Pen New Zealand Incorporated)
Notes to the Financial Statements
For the Year ended 31st December 2014

8. PREPAYMENTS OF INCOME
from Members Subs, NZ Author Subscriptions and Advertising

Member Subs - used to be invoiced annually in December for the following year. In the accounts these invoices and payments were recognised as Prepayments for one year to be included as income in the following year. More recently annual subscriptions have occurred on the anniversary date of taking out a subscription. During the year ended 31 December 2012 prepayments of \$21,518 were recognised in the accounts as payments of Members Subs for the year ended 31 December 2013, and this decreased the income account Subs from Members by \$18,711 (GST exclusive), and decreased GST payable by \$2,807. During the year ended 31 December 2013 this \$18,711 was included as income in the Members Subs account. Prepayments of subs recognised at the end of the 2013 year were only \$400 assuming that all subs are paid in the year they are received. This procedural change means that for the year ended 31 December 2013 the income for Members Subs contained an unusual timing item of \$18,711 of income.

NZ Author Subscriptions - in line with the treatment of member subs, the calculation of NZ Author subscriptions prepayments was abandoned in the year ended 31 December 2013. . This procedural change means that for the year ended 31 December 2013 the income for NZ Author Subscriptions contained an unusual timing item of \$822 of income.

Advertising - in line with the treatment of member subs, the calculation of Advertising prepayments was abandoned in the year ended 31 December 2013. This procedural change means that for the year ended 31 December 2013 the income for Advertising contained an unusual timing item of \$678 of income.

In total the revenue effect in the Statement of Financial performance of Head Office for the year ended 31 December 2013 was \$20,211 GST exclusive extra income as a result of this timing difference.

A summary of the effect is showing in the table below:

Year	2014	2013	2012	2011
Advertising	\$5,998	\$8,646	\$7,632	\$6,652
NZ Author Subscriptions	\$822	\$1,761	\$939	\$391
Subs from members	\$133,992	\$161,009	\$144,526	\$139,245