

291 Belmore Road, (P.O. Box 505)
Riverwood N.S.W. 2210
Telephone: (02) 9534 5733
Fax: (02) 9534 6598
Email: admin@escottaston.com.au
Web: www.escottaston.com.au



**Escott
Aston**
CHARTERED ACCOUNTANTS
ABN 98 317 515 740

THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2010

Liability limited by a scheme approved under
Professional Standards Legislation

Phillip R. Escott F.C.A.
David G. Aston C.A.

Liability limited by a scheme approved
under Professional Standards Legislation

THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
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THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

Note	2010 \$	2009 \$
INCOME		
General Donations	48,593.75	37,195.00
Membership Fees	980.00	740.00
Functions & Picnics	-	2,925.00
Youth Camp	6,200.00	-
Sundry Income	-	2.40
	<u>55,773.75</u>	<u>40,862.40</u>
EXPENDITURE		
Advertising and Promotion	-	99.72
Audit Fees	2,145.00	1,859.00
Bank Charges	150.00	150.00
Consultancy Fees	379.50	841.50
Computer Expenses	286.20	181.15
Depreciation - Plant & Equipment	72.00	87.00
Donations	274,180.00	8,000.00
Filing Fees	285.00	212.00
Insurance	871.11	865.61
Postage	201.00	500.00
Printing & Stationery	-	27.65
Receptions & Function Expenses	16,170.43	16,378.39
Subscriptions	247.00	247.00
Youth Camp Expenses	10,978.87	-
	<u>305,966.11</u>	<u>29,449.02</u>
(Loss) Profit before income tax	<u>(250,192.36)</u>	<u>11,413.38</u>
(Loss) Profit for the year	(250,192.36)	11,413.38
Retained earnings at the beginning of the financial year	<u>272,418.64</u>	<u>261,005.26</u>
Retained earnings at the end of the financial year	<u>22,226.28</u>	<u>272,418.64</u>

The accompanying notes form part of these financial statements.

THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		130,225.56	307,425.92
Trade and other receivables	2	59,050.00	58,820.00
Prepayments		-	2,000.00
TOTAL CURRENT ASSETS		<u>189,275.56</u>	<u>368,245.92</u>
NON-CURRENT ASSETS			
Trade and other receivables	2	28,800.00	45,600.00
Financial assets	3	122.09	122.09
Property, plant and equipment	4	360.00	432.00
TOTAL NON-CURRENT ASSETS		<u>29,282.09</u>	<u>46,154.09</u>
TOTAL ASSETS		<u>218,557.65</u>	<u>414,400.01</u>
LIABILITIES			
CURRENT LIABILITIES			
Funeral Assistance Funds		1,175.00	6,675.00
Loan - SICHMA		60,000.00	-
Fees Received in Advance		-	150.00
TOTAL CURRENT LIABILITIES		<u>61,175.00</u>	<u>6,825.00</u>
TOTAL LIABILITIES		<u>61,175.00</u>	<u>6,825.00</u>
NET ASSETS		<u>157,382.65</u>	<u>407,575.01</u>
MEMBERS' FUNDS			
Reserves	5	135,156.37	135,156.37
Retained earnings	6	22,226.28	272,418.64
TOTAL MEMBERS' FUNDS		<u>157,382.65</u>	<u>407,575.01</u>

The accompanying notes form part of these financial statements.

THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Income Tax

The Society has determined that its income is exempt from income tax. Should the society's tax exempt status be determined otherwise the Society may be taxed under the principal of mutuality on non-member income.

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Cash and Cash Equivalents

Cash and cash equivalents include 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.

**THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
2 Trade and Other Receivables		
Current		
Trade Debtors	250.00	20.00
Loans - Arkana College	42,000.00	42,000.00
Mortgage Loan - Arkana College	16,800.00	16,800.00
	<u>59,050.00</u>	<u>58,820.00</u>
Non-Current		
Mortgage Loan - Arkana College	<u>28,800.00</u>	<u>45,600.00</u>
3 Financial Assets		
Non-Current		
Shares in Other Companies	<u>122.09</u>	<u>122.09</u>
4 Property, Plant and Equipment		
Plant & Equipment	599.00	599.00
Less: Accumulated Depreciation	<u>(239.00)</u>	<u>(167.00)</u>
	360.00	432.00
Total Plant and Equipment	<u>360.00</u>	<u>432.00</u>
Total Property, Plant and Equipment	<u>360.00</u>	<u>432.00</u>
5 Reserves		
Capital Profit Reserve		
Capital Profits Reserve	<u>135,156.37</u>	<u>135,156.37</u>
6 Retained Earnings		
Retained earnings at the beginning of the financial year	272,418.64	261,005.26
(Net loss) Net profit attributable to the association	<u>(250,192.36)</u>	<u>11,413.38</u>
Retained earnings at the end of the financial year	<u>22,226.28</u>	<u>272,418.64</u>

THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report:

1. Presents a true and fair view of the financial position of The Islamic Egyptian Society of NSW Inc. as at 31 December 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Islamic Egyptian Society of NSW 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 Committee and is signed for and on behalf of the Committee by:

for President: M. Helal Mohammed Helal (Vice President)

Treasurer: K. Tamm

Dated this 23rd day of June 2011

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of The Islamic Egyptian Society of NSW Inc. (the association) which comprises the balance sheet as at 31 December 2010, profit and loss statement, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporations Act NSW 1984 and are appropriate to meet the needs of the members. The committee's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report 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 made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act NSW. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.


**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ISLAMIC EGYPTIAN SOCIETY OF NSW INC.
ABN 56 173 797 122**

Auditors' Opinion

In our opinion, the financial report of The Islamic Egyptian Society of NSW Inc. presents fairly, in all material respects the financial position of The Islamic Egyptian Society of NSW Inc. as of 31 December 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Name of Firm: Escott Aston Chartered Accountants
Chartered Accountants

Name of Partner: _____


David Aston

Address: 291 Belmore Road, RIVERWOOD NSW 2210

Dated this 24 **day of** June 2011