

**BALANCE  
CORPORATION  
ACCOUNTANTS**  
*Numbers +*

**Melbourne PC User Group Inc. ABN 43 196 519 351**

Financial Statements

For the year ended 30 June 2015

**BALANCE CORPORATION**

Pty Ltd  
ABN 205 1452 2995

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Statement by Members of the Committee

## Melbourne PC User Group Inc. ABN 43 196 519 351

Your committee members submit the financial accounts of the Melbourne PC User Group Inc. for the financial year ended 30 June 2015.

### Committee Members

The names of committee members throughout the year together with the number of meetings attended are:

Harry Lewis	12/13
Roger Wragg	13/13
Geoffrey Keenan	12/13
Ian Rankin	6/13 Resigned December 2014
Philip Lew	13/13
Don McKenzie	13/13
Norman Elliman	4/4
Lance Lloyd	2/4
Gary Taig	9/9
John Hollow	9/9
John Bade	9/9
Jay Boag	2/4 Resigned May 2015

### Principal Activities

The principal activities of the group during the financial year continue to be to conduct on a non profit basis activities to help members use personal computers and other similar and related devices to achieve the following outcomes:

- advancing computer literacy;
- advancing education and the exchange of ideas;
- keeping members up to date on developments in computer and information technology and helping members to exchange information;
- representing members in public debate in areas of interest including law reform proposals;
- engaging with similar organisations; and
- carrying out activities that benefit the Association.

### Significant Changes

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

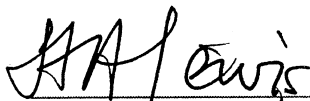
Melbourne PC User Group Inc. ABN 43 196 519 351

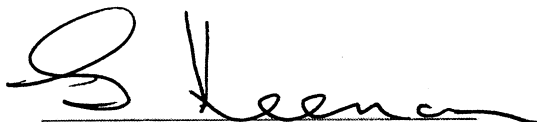
**Operating Result**

The deficit from ordinary activities after providing for income tax amounted to

Year ended	Year ended
30 June 2015	30 June 2014
\$	\$
(228,519.77)	(230,637.94)

Signed in accordance with a resolution of the Members of the Committee on:

  
\_\_\_\_\_  
Harry Lewis  
President

  
\_\_\_\_\_  
Geoffrey Keenan  
Secretary

27 Oct 2015

**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**Trading Account**  
**For the year ended 30 June 2015**

	2015	2014
	\$	\$
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<b>Trading Income</b>		
Mobile Broadband Internet	65,192.07	72,415.91
Dial Up Internet		6,836.81
Disk Sales	1,115.17	2,693.84
Drinks and Confections	2,213.40	1,460.28
Raffle Income	8,573.54	3,786.17
<b>Total Trading Income</b>	<u>77,094.18</u>	<u>87,193.01</u>
<b>Cost of Sales</b>		
<b>Add:</b>		
Modems Sims & Aerials	73,611.33	58,314.94
Network Charges	38,068.11	74,886.09
DVD Purchases		1,563.00
Raffle Cost	6,364.03	3,183.14
Computer on selling		1,961.96
	<u>118,043.47</u>	<u>139,909.13</u>
<b>Cost of Sales</b>	<b>118,043.47</b>	<b>139,909.13</b>
<b>Gross Loss from Trading</b>	<u><u>(40,949.29)</u></u>	<u><u>(52,716.12)</u></u>

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The accompanying notes form part of these financial statements.

**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**Income and Expenditure Statement**  
**For the year ended 30 June 2015**

	2015	2014
	\$	\$
<b>Income</b>		
Trading profit (loss)	(40,949.29)	(52,716.12)
Membership Subscriptions	160,503.89	208,780.53
Commissions received		879.38
Donations Received		107.09
Interest received	21,517.23	31,400.91
Other income	5,482.22	7,622.14
Total income	<u>146,554.05</u>	<u>196,073.93</u>
<b>Expenses</b>		
Accountancy		4,420.66
Advertising and promotion	3,941.27	
Audit fees	4,500.00	6,000.00
Bank Fees And Charges	3,022.18	3,545.64
Conference & Seminar Cost	4,574.72	4,499.82
Computer Software	322.00	1,456.00
Depreciation - other	143,896.35	144,110.00
Donations		181.64
Electricity	10,637.45	11,314.34
Equipment	400.00	
Insurance	7,414.77	11,374.82
Legal fees	740.91	1,800.00
PC Update expenses	8,730.28	37,599.07
Postage	4,614.52	11,360.61
Printing & stationery	10,392.50	11,329.90
Rates & land taxes	23,728.27	17,307.08
Rent on land & buildings	11,470.84	8,366.76
Repairs & maintenance	7,911.62	3,555.06
Rubbish removal	5,546.88	6,638.79
Salaries - ordinary	102,989.40	119,206.78
Security	659.00	599.00
Subscriptions	1,024.53	471.85
Superannuation	9,715.95	8,721.00
Telephone	6,586.60	7,497.51
Travel, accom & conference	1,599.30	1,321.70
Leave Entitlements		3,600.10
Workcover	654.48	433.74
Total expenses	<u>375,073.82</u>	<u>426,711.87</u>

The accompanying notes form part of these financial statements.

**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**Income and Expenditure Statement**  
**For the year ended 30 June 2015**

	2015	2014
	\$	\$
<b>Profit (loss) from ordinary activities before income tax</b>	<b>(228,519.77)</b>	<b>(230,637.94)</b>
Income tax revenue relating to ordinary activities		
<b>Net profit (loss) attributable to the association</b>	<b>(228,519.77)</b>	<b>(230,637.94)</b>
<b>Total changes in equity of the association</b>	<b>(228,519.77)</b>	<b>(230,637.94)</b>
Opening retained profits	1,582,446.06	1,813,084.00
Net profit (loss) attributable to the association	(228,519.77)	(230,637.94)
<b>Closing retained profits</b>	<b>1,353,926.29</b>	<b>1,582,446.06</b>

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The accompanying notes form part of these financial statements.

**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**Detailed Balance Sheet as at 30 June 2015**

	Note	2015	2014
		\$	\$
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<b>Current Assets</b>			
<b>Cash Assets</b>			
Cash At Bank		5,339.10	12,972.13
Term Deposit 2		619,000.00	710,000.00
ING Direct Term Deposit		25,658.49	45,541.26
Undeposited funds			921.00
Clearing Account		3,268.79	
Visa - Load & Go		141.17	
Cash on hand		27.40	64.91
		<u>653,434.95</u>	<u>769,499.30</u>
<b>Receivables</b>			
Trade debtors		9,048.25	1,933.23
		<u>9,048.25</u>	<u>1,933.23</u>
<b>Total Current Assets</b>		<u><b>662,483.20</b></u>	<u><b>771,432.53</b></u>
<b>Non-Current Assets</b>			
<b>Other Financial Assets</b>			
Optus Equipment Fund		(2,268.80)	6,563.33
		<u>(2,268.80)</u>	<u>6,563.33</u>
<b>Property, Plant and Equipment</b>			
Plant & equipment - at cost		2,279,260.08	2,273,677.99
Less: Accumulated depreciation		(1,543,873.89)	(1,399,977.54)
		<u>735,386.19</u>	<u>873,700.45</u>
<b>Total Non-Current Assets</b>		<u><b>733,117.39</b></u>	<u><b>880,263.78</b></u>
<b>Total Assets</b>		<u><b>1,395,600.59</b></u>	<u><b>1,651,696.31</b></u>

The accompanying notes form part of these financial statements.



**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**Detailed Balance Sheet as at 30 June 2015**

	Note	2015	2014
		\$	\$
<b>Current Liabilities</b>			
<b>Payables</b>			
<b>Unsecured:</b>			
Trade creditors		(24.16)	23,212.79
Income in advance		32,871.72	32,871.72
Other creditors		65.00	
		32,912.56	56,084.51
<b>Current Tax Liabilities</b>			
GST payable control account		1,210.00	1,652.00
GST payable adjustment control account			3,022.00
Amounts withheld from salary and wages		5,000.00	5,940.00
		6,210.00	10,614.00
<b>Provisions</b>			
Employee entitlements		2,551.74	2,551.74
		2,551.74	2,551.74
<b>Total Current Liabilities</b>		<b>41,674.30</b>	<b>69,250.25</b>
<b>Total Liabilities</b>		<b>41,674.30</b>	<b>69,250.25</b>
<b>Net Assets</b>		<b>1,353,926.29</b>	<b>1,582,446.06</b>
<b>Members' Funds</b>			
Accumulated surplus (deficit)		1,353,926.29	1,582,446.06
<b>Total Members' Funds</b>		<b>1,353,926.29</b>	<b>1,582,446.06</b>

The accompanying notes form part of these financial statements.

**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

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## **Note 1: Summary 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 Incorporations Act of Victoria. 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 historical 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.

### **(a) 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.

### **(b) Impairment of Assets**

At the end of each reporting period, the entity 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.

### **(c) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

### **(d) Cash and Cash Equivalents**

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

### **(e) 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. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST).

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**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2015**

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**(f) 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 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 assets and liabilities statement are shown inclusive of GST.

**(g) Investments**

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

**(h) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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Melbourne PC User Group Inc. ABN 43 196 519 351

Statement of Cash Flows

For the year ended 30 June 2015

	2015	2014
	\$	\$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	236,158	303,754
Payments to Suppliers and employees	(373,739)	(434,572)
Interest received	21,517	31,401
Net cash provided by (used in) operating activities (note 2)	<u>(116,064)</u>	<u>(99,417)</u>
Net increase (decrease) in cash held	(116,064)	(99,417)
Cash at the beginning of the year	<u>769,499</u>	<u>868,916</u>
Cash at the end of the year (note 1)	<u>653,435</u>	<u>769,499</u>

Melbourne PC User Group Inc. ABN 43 196 519 351

Statement of Cash Flows

For the year ended 30 June 2015

2015  
\$

2014  
\$

**Note 1. Reconciliation Of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank	5,339	12,972
Term deposit		
Term Deposit 2	619,000	710,000
ING Direct Term Deposit	25,658	45,541
Cash on hand	3,437	986
	<u>653,435</u>	<u>769,499</u>

**Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating**

**Profit After Income Tax**

Operating profit after income tax	(228,520)	(230,638)
Depreciation	143,896	144,110

Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:

(Increase) decrease in trade and term debtors	(7,115)	(828)
(Increase) decrease in prepayments	0	13,851
Increase (decrease) in trade creditors and accruals	(23,172)	(10,206)
Increase (decrease) in employee entitlements	0	(3,275)
Increase (decrease) in sundry provisions/other	(1,153)	(12,430)
<b>Net cash provided by (used in) operating activities</b>	<u><b>(116,064)</b></u>	<u><b>(99,417)</b></u>

## Melbourne PC User Group Inc. ABN 43 196 519 351

### **Independent Auditors Report to the Members of Melbourne PC User Group Inc.**

We have audited the accompanying financial report, being a special purpose financial report, of Melbourne PC User Group Inc. (the association), which comprises the Statement by Members of the Committee, Income and Expenditure Statement, Balance Sheet, notes comprising a summary of significant accounting policies, other explanatory notes and the Certificate by Members of the Committee for the financial year ended 30 June 2015.

### **Committee's Responsibility for the Financial Report**

The committee of Melbourne PC User Group Inc. is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Reform Act of Victoria 2012 and is appropriate to meet the needs of the members. The committee's responsibilities also includes such internal control as the committee determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 auditor's judgement, 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 auditor considers internal control relevant to the association'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 association'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.

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

### **Opinion**

In our opinion, the financial report gives a true and fair view of the financial position of Melbourne PC User Group Inc. as at 30 June 2015 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Reform Act of Victoria 2012.

### **Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Melbourne PC User Group Inc. to meet the requirements of the Associations Incorporation Reform Act of Victoria 2012. As a result, the financial report may not be suitable for another purpose.

Signed on 5/10/15



Christopher Falkingham  
Suite 104 424 Warrigal Road Heatherton

**Melbourne PC User Group Inc. ABN 43 196 519 351**  
**For the year ended 30 June 2014**

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 Income and Expenditure Statement, Statement of Financial Position, and Notes to the Financial Statements:

1. Presents fairly the financial position of Melbourne PC User Group Inc. as at 30 June 2015 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 association 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:



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Harry Lewis  
President



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Ian Rankin  
Treasurer

Dated: 27 Oct 2015