



*“Members helping Members”*

Melbourne PC User Group Inc.  
Financial Statement  
for the Year ended 30<sup>th</sup> June 2020

# Melbourne PC User Group Inc.

## Committee Report

Your committee members submit the Financial Accounts of the Melbourne PC User Group Inc. for the financial year ended 30<sup>th</sup> June 2020.

## Committee Members

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

Peter Bacon	4/4	Harry Lewis	9/12
Robert Brown	8/12	Hugh MacDonald	11/12
Avon Fernando	7/12	Peter McConnachie	6/8
Kirsten Greed	6/6	John Morris	3/4
Stewart Gruneklee	12/12	Bahador Nayebifar	1/4
John Hall	3/4	David Stonier-Gibson	11/12
Paul Hattam	7/8	John Swale	12/12
Flynn Howard	0/3	Dave Williams	8/8
Phil Lew	4/4	Stephen Zuluaga	10/12

## Principal Activities

The principal activities of the group during the financial year were to conduct, on a non-profit basis, activities to help members learn and use systems and devices using various technologies, especially computing, software, and communications technology (including the Internet, personal computers & devices), to achieve the following outcomes:

- advancing computer literacy
- advancing education and exchange of ideas
- keeping members up to date on developments in computer and information technology and helping members to exchange information
- engaging with similar organisations
- carrying out activities that benefit the Association

No significant change to these activities occurred during the year.

## Financial Result

The deficit from what we would normally deem 'ordinary activities for the year' amounted to (\$6,092) (2019: Surplus \$477).

A preliminary review of the Asset Register highlighted an error in depreciation going back ten years. When we bought the Moorabbin property in 2009, the total value of Land & Building was entered into the Register and has been depreciated at 2%. However, you cannot depreciate Land except in limited circumstances. This has resulted in an over depreciation of \$54,604 for the Financial Years 2010 to 2019.

This has been recorded as an adjustment to Opening Retained Earnings in the Statement of Financial Position, as it relates to prior years.

The adjustment also resets the Provision for Depreciation - Property in the Statement of Financial Position.

# Melbourne PC User Group Inc.

## Statement of Financial Position as at 30th June 2020

	Note	FY2020 \$	FY2019 \$
<b>Current Assets</b>			
Cash at Bank & On Hand		19,865	30,946
CBA VISA Debit Card		475	540
PayPal		799	985
Petty Cash - Float		60	60
Term Deposits		497,559	488,476
Prepayments		6,645	
SIG Security Deposit		300	300
<b>Total Current Assets</b>		<b>525,703</b>	<b>521,307</b>
<b>Non-Current Assets</b>			
Property, Plant, & Equipment		2,367,170	2,351,298
Provision for Depreciation	4	(1,616,917)	(1,646,959)
<b>Net Non-Current Assets</b>		<b>750,253</b>	<b>704,339</b>
<b>TOTAL ASSETS</b>		<b>1,275,956</b>	<b>1,225,646</b>
<b>Current Liabilities</b>			
Accounts Payable		7,813	5,130
BAS Payable/(Receivable)		(1,608)	(723)
<b>Total Current Liabilities</b>		<b>6,205</b>	<b>4,407</b>
<b>TOTAL LIABILITIES</b>		<b>6,205</b>	<b>4,407</b>
<b>NET ASSETS</b>		<b>1,269,751</b>	<b>1,221,239</b>
<b>Members' Funds 1<sup>st</sup> July 2019</b>		1,221,239	1,220,762
<b>Correction of Prior Period Depreciation</b>	4	54,604	-
<b>Net Surplus Current Year</b>		(6,092)	477
<b>Members' Funds End of Year</b>		<b>1,269,751</b>	<b>1,221,239</b>

# Melbourne PC User Group Inc.

## Income & Expenditure Statement for Year Ended 30th June 2020

Income	Note	FY2020	FY2019
		\$	\$
Disk Sales		369	505
Drinks & Confections	1	512	884
Donations		5,460	515
Special Event Sales		59	
Equipment Hire		45	136
Postage Recovered			2
Interest Received		10,516	12,905
Membership Subscriptions		117,127	125,658
Microsoft Subscriptions		7,461	7,582
Newsletter Sales		443	418
Raffles	1	1,007	1,964
<b>Total Income</b>		<b>142,999</b>	<b>150,569</b>
<b>Expenditure</b>			
Advertising & Promotion		573	2,343
Accounting		3,482	5,824
Bank Fees		2,728	2,911
Cleaning		4,518	4,618
Equipment Purchases		254	684
Gifts Rewards Donations		277	0
Heat Light Power		4,572	7,262
Insurance		5,516	4,538
Internet Charges		7,850	7,131
Legal		59	1,920
Library Book Purchases		58	128
Microsoft Licenses		7,490	6,904
Moorabbin Property Costs		14,806	12,254
Postage		640	1,642
Printing & Stationery		6,602	6,721
Raffle Costs	1	356	924
Rent - Room Hire for SIGs	2	9,870	7,603
Repairs & Maintenance		409	3,703
Security		566	632
Staff/Volunteer/SIG Amenities	1	935	2,785
Staffing Expenses	3	50,038	37,285
Subscriptions		277	265
Telephone		2,656	2,644
<b>Total Expenditure ex Depreciation</b>		<b>124,530</b>	<b>120,721</b>
<b>Surplus before Depreciation</b>		<b>18,470</b>	<b>29,848</b>
Less Depreciation		(24,561)	(29,371)
<b>Surplus/Deficit for the Year</b>		<b>(6,092)</b>	<b>477</b>

# Melbourne PC User Group Inc.

## **Summary of significant accounting policies:**

### **General**

This Financial Report is a special purpose financial report which has been prepared in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)*.

The committee has determined that the Melbourne PC User Group Inc. is not a reporting entity.

This financial report has been prepared on an accrual basis, is based on historical cost, and does not take into account changing monetary values or, except where specifically stated, current valuation of non-current assets.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **Property, Plant, and Equipment**

Property and improvements and all equipment are carried at cost less any accumulated depreciation. An informal valuation carried out by an estate agent in August 2017 estimated the value of the Moorabbin property at approximately \$1.2m. The depreciable amount of all property, plant and equipment is depreciated over the estimated useful life of the assets to the association commencing from the time the asset is held ready for use.

### **Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying value of its 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.

### **Current Assets**

Cash and cash equivalents include cash on hand, undeposited funds, cash in transit between financial institutions, deposits held at call or on short-term investments with banks with original maturities of three months or less.

### **Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

### **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 Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated inclusive of GST.

### **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 company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days on recognition of the liability.

# Melbourne PC User Group Inc.

## Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2020

### **(1) Covid-19 and Club Activities**

Due to the club premises being closed and no meetings being held, amounts collected from Raffles, Drinks, Tea & Coffee and expenses thereto are naturally below last year.

Staff/Volunteer/SIG amenities have also reduced which includes the Annual Volunteers' get togethers not being run.

### **(2) Rent, Room Hire for SIGS**

Due to Covid-19 all SIGs have been unable to meet from March through June which in most cases means a reduction in rent, with a few exceptions where we pay for the year in advance such as Wadham House. In this case we will get a credit when SIG meetings can recommence.

However, due to some confidential accounting problems at one of our SIG locations, rental invoices totalling \$3,240 were not sent to the Club since July 2017.

We have been meeting there and the invoices were paid in March this year.

This is no reflection on the SIG convenors – just poor accounting disciplines at the Church Hall that they use. Other SIG Rentals have all been accounted for this year.

### **(3) Staffing Expenses FY20**

Staffing expenses for FY20 include a confidential amount paid to the former Office Manager in settlement of a court case.

### **(4) Abnormal item - Depreciation for Moorabbin Property**

In December 2009 the Club purchased the Warragul Road premises. The value of the Building & Land was entered into the Asset Register and has been depreciated at 2% each year. The amount entered included the Land Value of \$287,100. Land Value cannot be depreciated, except in limited circumstances such as Mining & Land Fill.

Therefore, the property has been over depreciated for Financial Years FY10 to FY19 by \$54,604.

As the Club is a Not-for-Profit and exempt from Income Tax there is no practical point in changing the previous years' Financial Reports.

Best practice today is to make an abnormal adjustment to this year's accounts and move forward. Hence the adjustment to the 'Provision for Depreciation – Property' account of \$54,604 was made to correct the error. This also explains the reduction in normal depreciation for this year compared to last year.

# Melbourne PC User Group Inc.

## Statement by the Committee

This Financial Report is a special purpose financial report which has been prepared in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)*.

The committee has determined that the Melbourne PC User Group Inc. is not a reporting entity and therefore not subject to audit, but to accord with our rules, this report is reviewed by a qualified and independent accountant.

We, David Stonier-Gibson, President, and Peter McConnachie, Treasurer, being members of the Committee of Melbourne PC User Group Inc. certify that - the Statement of Financial Position, Income and Expenditure Statement, and accompanying notes attached to this certificate give a true and fair view of the financial performance and position of the Melbourne PC User Group Inc. during and at the end of the financial year of the Association ended 30<sup>th</sup> June 2020.

Signed: \_\_\_\_\_



David Stonier-Gibson, President

Date: 6th November 2020

Signed: \_\_\_\_\_



Peter McConnachie, Treasurer

Date: 6-11-2020.

**MELBOURNE PC USER GROUP INC****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MELBOURNE PC USER GROUP INC****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Melbourne PC User Group Inc which comprises the statement of financial position as at 30 June 2020 and the income and expenditure statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the committee.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of Melbourne PC User Group Inc as at 30 June 2020 and of 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 2012*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter - Basis of Accounting**

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 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of the Committee for the Financial Report**

The committee of Melbourne PC User Group Inc is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and for such internal control as the committee determines 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.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

**Melbourne**

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**MELBOURNE PC USER GROUP INC****Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**MVA BENNETT**  
Chartered Accountants.  
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**SHAUN EVANS**  
Partner

Dated: 6<sup>th</sup> November 2020

**Melbourne**

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