CFA Society of Melbourne, INC.

A.B.N. 33 080 550 149

Treasurer's Report

For the Financial Year to 30th June 2014

Dear members of the CFA Society of Melbourne, it is with great pleasure that I present the Financial Statements and commentary for the Society's activities for the financial year ending June 2014.

This has been a very exciting year for Melbourne members with the local society embarking on a variety of new initiatives that have increased the impact and contribution of the Society in Melbourne and more broadly, in Australia and New Zealand financial arena.

The CFA Investment Conference in October was arguably the most ambitious and successful event of the year. The conference, a maiden event for the Melbourne Society and the second one in Australia, was highly regarded by participants and was the only conference organised by a CFA society to be profitable.

Also for the first time, and following a CFA Institute global initiative, the Society organised a series of activities in May this year for the Putting Investors First week as part of the Future of Finance Program. Michael Woodford, ex-CEO of Olympus Corp toured around Australia and presented at the RACV in Melbourne where he emphasised the importance of ethics and good governance in today's corporate world.

The strong financial position of the Society allowed for the continuation of important activities including the new Advocacy role and also the enhancement of the Society's website in order to improve members' experience and engagement. Networking and social events are a central aspect of the Melbourne Society and a variety of functions were organised throughout the year.

The Society ended the year with a healthy balance of \$175k in assets. The increased number of initiatives undertaken combined with less income from some activities produced a deficit for the financial year. The cost of the new Advocacy position, the upgraded website and expenses from the Putting Investors First week are the main contributors to the extra expenses this year although partially offset by profits from the Investment Conference.

Please find below the Balance Sheet for the financial year to June 2014

CFA Society of Melbourne Inc Balance Sheet As at 30 June 2014

	Note	2014	2013 \$
Current Assets			
Cash and Cash Equivalents	6	56,304	33,063
Trade and Other Receivables	7	141,363	202,722
Current Tax Assets	8 _	3,196	
Total Current Assets		200,863	235,785
Total Assets	_	200,863	235,785
Current Liabilities			
Trade and Other Payables	9	(2,708)	12,242
Current Tax Liabilities	8		1,215
Short Term Provisions	10	799	4,664
Other Accruals	_	27,652	8,325
Total Current Liabilities		25,743	26,446
Total Liabilities	_	25,743	26,446
Net Assets	-	175,120	209,339
Equity			
Retained Profits	11	175,120	209,339
Total Equity	****	175,120	209,339

The Society incurred a loss before income tax of \$34,218 for the financial year to June 2014. The main sources of income were the Investment Conference, the Forecasting Dinner, CFAI Funding and Membership Dues. The Review Course and the Practice Exam saw a reduction in income versus the previous year.

The Investment Conference was the biggest expense for the year, followed by salaries, the Forecasting Dinner and Putting Investors First costs. The new Advocacy role and website costs had also a significant impact on expenses this financial year.

Please find below the Income Statement for the financial year to June 2014

CFA Society of Melbourne Inc Profit and Loss Statement For the Year ended 30 June 2014

Accountancy Fees			
CPAI Funding			
CFAI Funding		•	
Forecasting Dinner Contuining Education Investment Research Challenge Membership Dues Pactice Exam Pactice Pactic Pactice Pactice Pactice Pactice Pactice Pactice Pactice Pactice		24.743	25.383
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Investment Research Challenge Membership Dues Practice Exam		41,096	
Membership Dues		7 560	
Practice Exam			
Review Course			
Interest Received Graduation Dinner Graduation D			
Graduation Dinner 1,379 2,444 Schweser Notes Sales 1,379 2,444 Keimbursements - 1,987 - 1,987 Conference 140,790			
Schweser Notes Sales 1,379 2,444 Reimbursements 1,987 1,987 Conference 140,790 - Putting Investors First 21,486 - Seminar Income 223 - Expenditure 296,571 135,257 Expenditure 6,880 11,322 Adouting 3,002 - Advertising 3,002 - Bank and Merchant Fees 1,568 579 Board Expenses 4,860 3,231 Broker Fee 350 - 1,046 Contraining Education Expenses 1,046 10,662 Contraining Education Ex		11,007	
Reimbursements		1 200	
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Printing & Stationery 753 2,254 Putting Investors First 34,216	Postage		
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and any value of the second of	Loss before Income Tax	(34,218)	(19,548)
Loss after Income Tax (34.218) (22.654)	Income Tax Expense		(3,106)
	Loss after Income Tax	(34,218)	(22,654)

The CFA Society of Melbourne is in a healthy financial position given current available reserves, however careful consideration should be placed on costs going forward to ensure the sustainability of the Society's activities.

The Society will continue to deploy financial resources to promote the mission and values of the CFA Society of Melbourne and the CFA Institute.

Juan Dosio, CFA Treasurer CFA Society of Melbourne 26th September 2014