

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		<u>200,863</u>	<u>235,785</u>
Total Assets		<u>200,863</u>	<u>235,785</u>
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		<u>27,652</u>	<u>8,325</u>
Total Current Liabilities		<u>25,743</u>	<u>26,446</u>
Total Liabilities		<u>25,743</u>	<u>26,446</u>
Net Assets		<u>175,120</u>	<u>209,339</u>
Equity			
Retained Profits	11	175,120	209,339
Total Equity		<u>175,120</u>	<u>209,339</u>

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

	2014	2013
	\$	\$
Income		
CFAI Funding	24,743	25,383
Forecasting Dinner	41,698	37,282
Continuing Education	-	600
Investment Research Challenge	7,567	3,982
Membership Dues	23,522	20,318
Practice Exam	3,252	5,120
Review Course	20,304	25,238
Interest Received	11,607	9,790
Graduation Dinner	-	3,113
Schweser Notes Sales	1,379	2,444
Reimbursements	-	1,987
Conference	140,790	-
Putting Investors First	21,486	-
Seminar Income	223	-
	<u>296,571</u>	<u>135,257</u>
Expenditure		
Accountancy Fees	6,880	11,322
Administration Costs	10,329	3,334
Advertising	3,002	-
Advocacy	18,772	-
Assets write off	-	834
Bank and Merchant Fees	1,568	579
Board Expenses	4,860	3,231
Broker Fee	350	-
Conference	110,646	10,662
Continuing Education Expenses	-	1,040
Filing Fees	-	108
Forecasting Dinner	42,493	40,419
Gifts	144	56
Graduation Dinner	-	5,455
Insurance	1,790	2,338
Interest Paid	522	388
Investment Research Challenge	5,097	5,091
IT Expenses	-	589
Marketing	1,012	677
Member/Candidate Drinks	1,414	3,881
Outreach	300	(147)
Postage	281	165
Practice Exam Expenses	601	1,964
Printing & Stationery	753	2,254
Putting Investors First	34,216	-
Review Course	14,372	15,584
Salaries	47,534	36,954
Seminars	1,454	453
Sponsorships	-	150
Stamp Duty	197	-
Sundry Expenses	1,973	-
Superannuation Contributions	4,369	3,299
Travelling Expenses	1,433	637
Website Expenses	14,018	3,240
Workcover	409	248
	<u>330,789</u>	<u>154,805</u>
Loss before Income Tax	<u>(34,218)</u>	<u>(19,548)</u>
Income Tax Expense	-	(3,106)
Loss after Income Tax	<u>(34,218)</u>	<u>(22,654)</u>

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.

A handwritten signature in black ink, appearing to read 'Juan Dosio', with a long diagonal line extending from the top left of the signature.

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