

THE INTERNET SOCIETY OF AUSTRALIA
ACN: 076 406 801
(A Company Limited by Guarantee)

The Financial Reports

For the year ended June 30, 2014

*Meagher Howard & Wright
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**INTERNET SOCIETY OF AUSTRALIA
(A Company Limited by Guarantee)**

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FOR THE YEAR ENDED 30 JUNE 2014**

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MEAGHER, HOWARD & WRIGHT
CERTIFIED PRACTISING ACCOUNTANTS
ABN 42 664 097 441

PARTNERS

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G. MIDDLETON B.COMM. ACA

FINANCIAL PLANNING

MARK MAYCOCK J.P.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS THE INTERNET SOCIETY OF AUSTRALIA

We have audited the accompanying financial report of the Internet Society of Australia, which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 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 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 directors, 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.


Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Internet Society of Australia on 30 June 2013, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report

- a.) gives a true and fair view of the financial position of the Internet Society of Australia as of 30 June 2014, and of its financial performance and its cash flows for the year then ended.
- b.) Complies with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Accounting Standards (including Australian Accounting Interpretations) as described in Note 1 and the *Corporations Act 2001*.

Name of Firm: Meagher Howard & Wright
Name of Partner: Ken Wright 
Address: Suite 505, 55 Grafton Street Bondi Junction NSW 2022
Dated: this 23 day of October 2014

**INTERNET SOCIETY OF AUSTRALIA
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ACN: 076 406 801

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
Revenues from Ordinary Activities	4	51,429	46,458
Expense of Ordinary Activities (excluding borrowing costs)	5	(13,472)	(12,570)
		<hr/>	<hr/>
Operating Surplus/(deficit) before Tax		37,957	33,888
Income Tax Applicable to Operating Surplus		-	-
		<hr/>	<hr/>
Operating Surplus/Deficit after Income Tax		37,957	33,888

STATEMENT OF CHANGES IN EQUITY

	NOTE	Retained Earnings	Total
Balance as at 30 th June 2012		9,139	9,139
Surplus/(Deficit)		<hr/> 33,888	<hr/> 33,888
Balance as at the 30 th June 2013		<hr/> 43,027	<hr/> 43,027
Surplus/(Deficit)		37,957	37,957
Balance as at the end of 30 th June 2014		<hr/> 80,984	<hr/> 80,984

**INTERNET SOCIETY OF AUSTRALIA
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**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	82,433	46,643
Trade and other receivable	3	<u>1,065</u>	<u>1,092</u>
TOTAL CURRENT ASSETS		<u>83,498</u>	<u>47,735</u>
TOTAL ASSETS		<u>83,498</u>	<u>47,735</u>
LIABILITIES			
CURRENT LIABILITIES			
Other creditors	7	90	90
GST on supplies		<u>2,424</u>	<u>4,618</u>
TOTAL CURRENT LIABILITIES		<u>2,514</u>	<u>4,708</u>
TOTAL LIABILITIES		<u>2,514</u>	<u>4,708</u>
NET ASSETS		<u>80,984</u>	<u>43,027</u>
EQUITY			
Retained earnings	8	<u>80,984</u>	<u>43,027</u>
TOTAL EQUITY		<u>80,984</u>	<u>43,027</u>

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

		2014	2013
	NOTE	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES			
Cash receipts from debtors		50,198	46,202
Cash payments to suppliers		(13,472)	(11,114)
Interest received		1199	476
Net cash provided/(used) in operating activities	10	<u>37,925</u>	<u>35,564</u>
Net increase/(decrease) in cash held		37,925	35,564
Cash held at beginning of year		<u>46,643</u>	<u>11,079</u>
Cash at end of year		<u>84,568</u>	<u>46,643</u>

**INTERNET SOCIETY OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Internet Society of Australia receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the balance sheet, with a corresponding amount of income recognised in the income statement.

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

Revenue from the rendering of a service is recognised upon the delivery of the service.

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

(g) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**INTERNET SOCIETY OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

(h) 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.

(i) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(m) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

INTERNET SOCIETY OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2 CASH	2014	2013
Bendigo operating accounts	40,656	25,971
Term deposit	41,777	20,672
	<u>82,433</u>	<u>46,643</u>
NOTE 3 RECEIVABLES		
Trade debtors	35	-
GST receivables	1,030	1,092
	<u>1,065</u>	<u>1,092</u>
NOTE 4 OPERATING REVENUE		
Individual Membership fees	5,399	6,505
Organisational Membership fees	6,250	13,000
Donations/sponsorship	38,255	20,000
Events Income		6,363
Miscellaneous income	326	114
Interest received - bank	1,199	476
	<u>51,429</u>	<u>46,458</u>

Operating revenues rose slightly compared to the previous year, including extra grants from ISOC and Google for participation in IGF activities. Tight control on spending has allowed the Internet Society of Australia to accumulate sufficient funds to contemplate higher levels of activity next year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 5 OPERATING EXPENSES

	2014	2013
Operating profit before income tax is arrived at after charging the following items:		
Auditor's remuneration	1,650	1,600
Accounting expenses	1,319	2,565
Bank fees & charges	181	203
Computer expenses	254	954
Filing and licence fees	642	375
Late Payment Fee		70
Meeting Expenses	2,451	1,110
Insurance	1,599	1,583
Legal costs	-	-
Consultant expenses	NOTE 9 1,108	2,125
Consumer projects		591
Provision for doubtful debts	-	-
Provision for employee benefits	-	-
Salaries & wages	-	-
Superannuation	-	-
Secretariat expenses	726	1,394
Travel & Accommodation expenses	3,121	
	13,051	12,570

NOTE 6 TRADE DEBTORS

Trade debtors	35	-
Less: Provision for doubtful debts	-	-
	35	-

NOTE 7 OTHER CREDITORS

Income in Advance	90	90
	90	90

NOTE 8 MEMBERS EQUITY

The company is a company limited by guarantee. In the event of the company winding up its operations, the members have guaranteed to contribute a maximum amount of \$1 per member.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 9 RELATED PARTIES

No Director has entered into a material contract with the company or received any other benefit or remuneration apart from reimbursement of approved expenses.

NOTE 10 STATEMENT OF CASH FLOWS	2014	2013
Reconciliation of the operating profit/ (loss) after tax to the net cash flows from operations		
Operating profit/(loss) after tax	37,925	33,888
Depreciation		
Changes in assets and liabilities		
(Increase)/decrease in debtors	(35)	310
(Increase)/decrease in other assets	-	(251)
Increase/(decrease) in provisions	-	-
Increase/(decrease) in sundry creditors	-	1,617
Net Cash Flows from operating activities	37,895	35,564

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DIRECTOR'S DECLARATION

- 1(a) The financial statements and notes to the accounts have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).
- 1 (b) The financial statements and notes to the accounts are drawn up so as to give a true and fair view of the results and cash flows and financial position of the company for the financial year ended 30 June 2014.
- 2 In the opinion of the directors of the Internet Society of Australia:
- (a) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (b) the financial statements are drawn up in accordance with The Corporations Law including sections 296 and 297.

Dated at Sydney this...13th..... day of October..... 2014

Signed in accordance with a resolution of the directors:



Roger Clarke
Director - Secretary



Paul Brooks
Director – Hon. Treasurer