

**LINUX AUSTRALIA INC**  
**56 987 117 479**

**FINANCIAL REPORT**  
**FOR THE 9 MONTHS ENDED**  
**30 SEPTEMBER 2011**

***Meagher Howard & Wright***  
***Certified Practising Accountants***  
***Suite 505***  
***55 Grafton Street***  
***BONDI JUNCTION NSW 2022***

**LINUX AUSTRALIA INC**  
**56 987 117 479**

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**LINUX AUSTRALIA INC**  
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**COMMITTEE'S REPORT**

Your committee members submit the financial report of the Linux Australia Inc for the financial 9 months ended 30 September 2011.

**Committee Members**

The names of committee members throughout the year and at the date of this report are:

John Ferlito  
Peter Lieverdink  
Alice Boxhall  
Joshua Hesketh  
Mary Gardiner  
Michael Carden  
Kelly Yeoh

**Principal Activities**

The principal activities of the association during the financial year were Linux Australia is the peak body for Linux User Groups (LUGs) around Australia, and as such represents approximately 5000 Australian linux users and developers.

**Significant Changes**

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

**Operating Result**

The profit from ordinary activities after providing for income tax amounted to \$30,412.

**Signed in accordance with a resolution of the Members of the Committee.**

**Committee Member:** \_\_\_\_\_  
John Ferlito

**Committee Member:** \_\_\_\_\_  
Peter Lieverdink

**Dated this            day of**

**LINUX AUSTRALIA INC**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011**

	Note	2011 \$	2010 \$
Revenue	2	544,405	136,157
Advertising expenses		(1,195)	(1,919)
Conference Dinners		(36,202)	-
Other expenses		(476,596)	(91,139)
<b>Profit for the year</b>		<u>30,412</u>	<u>43,099</u>
<b>Total comprehensive income for the year</b>		<u><u>30,412</u></u>	<u><u>43,099</u></u>
Total comprehensive income attributable to members of the entity		30,412	43,099

The accompanying notes form part of these financial statements.

**LINUX AUSTRALIA INC**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2011**

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	386,765	486,391
Trade and other receivables	4	2,260	111,884
Other current assets	5	42,822	82,580
<b>TOTAL CURRENT ASSETS</b>		<u>431,847</u>	<u>680,855</u>
<b>TOTAL ASSETS</b>		<u>431,847</u>	<u>680,855</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	120,410	399,830
<b>TOTAL CURRENT LIABILITIES</b>		<u>120,410</u>	<u>399,830</u>
<b>TOTAL LIABILITIES</b>		<u>120,410</u>	<u>399,830</u>
<b>NET ASSETS</b>		<u>311,437</u>	<u>281,025</u>
<b>EQUITY</b>			
Retained earnings	7	311,437	281,025
<b>TOTAL EQUITY</b>		<u>311,437</u>	<u>281,025</u>

The accompanying notes form part of these financial statements.

**LINUX AUSTRALIA INC**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011**

	Note	Retained earnings \$	Total \$
<b>Balance at 1 October 2009</b>		237,926	237,926
Profit attributable to members		43,099	43,099
<b>Balance at 30 September 2010</b>		<u>281,025</u>	<u>281,025</u>
Profit attributable to members		30,412	30,412
<b>Balance at 30 September 2011</b>		<u><u>311,437</u></u>	<u><u>311,437</u></u>

The accompanying notes form part of these financial statements.

**LINUX AUSTRALIA INC**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	397,762	384,155
Payments to suppliers and employees	(501,847)	(135,155)
Interest received	4,459	8,935
<b>Net cash provided by (used in) operating activities</b>	<u>(99,626)</u>	<u>257,935</u>
Net increase (decrease) in cash held	(99,626)	257,935
Cash at beginning of financial year	486,391	228,456
Cash at end of financial year	<u><u>386,765</u></u>	<u><u>486,391</u></u>

The accompanying notes form part of these financial statements.

**LINUX AUSTRALIA INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011**

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**1 Statement of Significant Accounting Policies**

The financial statements cover Linux Australia Inc as an individual entity. Linux Australia Inc is an association incorporated in New South Wales under the Associations Incorporation Act 1984.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Act 1984.

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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. 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.

The financial statements were authorised for issue on by the members of the association.

**Accounting Policies**

**Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.



**LINUX AUSTRALIA INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011**

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**Impairment of Assets**

At the end of each reporting period, the association reviews the carrying amounts 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the income and expenditure statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

**Trade and Other Payables**

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

**LINUX AUSTRALIA INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011**

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**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 Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

**Comparative Figures**

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

**Change in Accounting Policy**

**Accounting Period Change**

In 2011 Linux Australian Inc changed its year end from 31 December to 30 September. Thus the accounts for 2011 are for a 9 month period.

**LINUX AUSTRALIA INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue</b>		
<b>Operating activities</b>		
Interest	4,459	8,936
Rendering of services	245,313	108,176
Other revenue	294,633	19,045
	544,405	136,157
<b>3 Cash and Cash Equivalents</b>		
Primary	11,653	9,226
Savings	134,727	246,070
Term Deposit	155,429	155,429
Wordcamp	23,820	964
Debit Card	726	894
Linux.conf.au 2011	4,912	32,863
LCA2010 Interest Bearing	3,418	7,129
LCA2010 Cheque	228	250
Drupal Down Under	-	33,566
DDU2012	19,306	-
GoldCoast Wordcamp	6,871	-
LCA2012	25,675	-
	386,765	486,391
<b>4 Trade and Other Receivables</b>		
<b>Current</b>		
Other Debtors	909	1,200
Trade Debtors	1,351	110,684
	2,260	111,884
<p>The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p>		
<b>5 Other Current Assets</b>		
<b>Current</b>		
Prepayments	42,822	82,580

**LINUX AUSTRALIA INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>6 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	14,454	3,572
Prepaid Conference Fees	99,746	374,315
GST on Supplies	6,210	21,943
	120,410	399,830
<b>7 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	281,025	237,926
Net profit attributable to the association	30,412	43,099
Retained earnings at the end of the financial year	311,437	281,025
<b>8 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	30,412	43,099
<b>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries</b>		
(Increase)/decrease in other assets	39,758	(82,580)
(Increase)/decrease in trade and other receivables	109,624	(102,414)
Increase/(decrease) in trade and other payables	(279,420)	399,830
	(99,626)	257,935
<b>8 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	30,412	43,099
	30,412	43,099
<b>9 Financial Risk Management</b>		

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

**LINUX AUSTRALIA INC**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

**2011**  
**\$**

**2010**  
**\$**

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**Financial Risk Management Policies**

The chairman's overall risk management strategy seeks to assist the association in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the committee on a regular basis. These included the credit risk policies and future cash flow requirements.

The association does not have any derivative instruments at 30 September 2011.

**LINUX AUSTRALIA INC**  
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**STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the committee the financial statements as set out on pages 1 to 11:

1. Presents fairly the financial position of Linux Australia Inc as at 30 September 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Linux Australia Inc 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:

**President:** \_\_\_\_\_  
John Ferlito

**Secretary:** \_\_\_\_\_  
Peter Lieverdink

**Dated this**            **day of**

**MEAGHER, HOWARD & WRIGHT**  
CERTIFIED PRACTISING ACCOUNTANTS

ABN 42 664 097 441

PARTNERS

K.J. WRIGHT J.P. M.COMM. F.C.P.A.  
G. MIDDLETON B.COMM. ACA

FINANCIAL PLANNING

MARK MAYCOCK

ASSOCIATE

L.J. HOWARD O.A.M. J.P. B Ec. F.C.P.A.

Suite 505

Level 5 / 55 Grafton Street  
BONDI JUNCTION NSW 2022  
PO Box 653  
BONDI JUNCTION NSW 1355

Phone: 02 9387 8988

Fax: 02 9387 8388

[greg@mhw.net.au](mailto:greg@mhw.net.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LINUX AUSTRALIA INC  
56 987 117 479**

## Scope

### The Financial Report and Committee's Responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the statement by members of the committee for Linux Australia Inc (the association), for the year ended 30 September 2011.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act New South Wales. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### Audit Approach

I conducted an independent audit in order to express an opinion to the members of the association. My audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act New South Wales, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

examining, on a test basis, information to provide evidence supporting the amounts and -disclosures in the financial report, and

assessing the appropriateness of the accounting policies and disclosures used and the -reasonableness of significant accounting estimates made by the committee.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, my audit was not designed to provide assurance on internal controls.

## Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

## Audit Opinion

In my opinion, the financial report of Linux Australia Inc presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Linux Australia Inc as at 30 September 2011 and the results of its operations and its cash flows for the year then ended.

**Name of Firm:** Meagher Howard & Wright  
Certified Practising Accountants

**Name of Partner:** \_\_\_\_\_  
Greg Middleton

**Address:** Suite 505, 55 Grafton Street BONDI JUNCTION NSW 2022

**Dated this day of 16 January 2011**



**LINUX AUSTRALIA INC**  
**56 987 117 479**

**CERTIFICATE BY MEMBERS OF THE COMMITTEE**

I, John Ferlito and I, Peter Lieverdink certify that:

- (a) We are members of the committee of Linux Australia Inc.
- (b) We attended the annual general meeting of the association held on 18 January 2012.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

**Committee Member:** \_\_\_\_\_  
John Ferlito

**Committee Member:** \_\_\_\_\_  
Peter Lieverdink

**Dated this**            **day of**

**LINUX AUSTRALIA INC**  
**56 987 117 479**

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	2011	2010
	\$	\$
<b>REVENUE</b>		
Conference Registrations	244,234	108,176
General Income	1,079	-
Interest Received	4,459	8,936
	<u>249,772</u>	<u>117,112</u>
<b>OTHER REVENUE</b>		
Sponsorship - International	123,297	2,681
Sponsorship - Local	171,336	16,364
	<u>294,633</u>	<u>19,045</u>
	<u>544,405</u>	<u>136,157</u>

The accompanying notes form part of these financial statements.

**LINUX AUSTRALIA INC**  
**56 987 117 479**

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>EXPENDITURE</b>		
Advertising & Promotion	1,195	1,919
AV and Network Equipment	25,521	6,492
Bank Charges	1,836	2,096
Conference Accommodation	6,596	-
Conference Dinner	36,202	-
Consultants & Accounting	5,127	487
Donations	13,925	-
Expenses Miniconfs	4,904	-
Face to Face	2,190	5,943
First Aid	1,800	963
Food & Drink	21,414	869
Foreign Exchange Gains/losses	(1,005)	788
Ghosts	8,472	924
Grants	-	11,789
General Expenses	7,638	70
Insurance	4,547	4,257
Marketing	7,185	3,174
Merchandise And Schwag	56,711	2,739
Networking Event	21,237	-
Motor Vehicle Expenses	365	-
NZ Tax	(776)	10
Newspapers & Magazines	-	1,195
Office Expenses	10,613	1,327
Papers Committee	(1)	2,335
Open Day	1,652	-
Partners Program	2,853	-
Postage	7,881	3,339
Printing & Stationery	4,671	-
Server	21,092	-
Speakers	38,788	(2,000)
Storage Rental	4,864	5,539
Subscriptions	57	120
Telephone	2,070	142
Travelling Expenses	16,168	1,966
Travelling Expenses - Overseas	13,499	5,213
Venue Catering	-	19,818
Venue Hire	161,098	10,389
Zookeeper Hackfest	3,604	1,155
	<b>513,993</b>	<b>93,058</b>

The accompanying notes form part of these financial statements.

**LINUX AUSTRALIA INC**  
**56 987 117 479**

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Profit before income tax	30,412	43,099
<b>Profit for the year</b>	30,412	43,099
Retained earnings at the beginning of the financial year	281,025	237,926
<b>Retained earnings at the end of the financial year</b>	311,437	281,025

The accompanying notes form part of these financial statements.