

Financial Executives Institute of Australia

31 March 2019

(a company limited by guarantee, ABN 92 000 601 954)

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Financial Executives International of Australia changed its name to
Financial Executives Institute of Australia with effect from 1 March 2012

This financial report covers Financial Executives Institute of Australia as an individual entity.
The financial report is presented in Australian currency.

Financial Executives Institute of Australia is a company limited by guarantee, incorporated
and domiciled in Australia. The registered office and principal place of business for the
company is located at Level 14 Lumley House 309 Kent Street, Sydney NSW 2000.

A description of the nature of the company's operations and its principal activities is included
in the director's report on page 1. The financial report was authorised for issue on 31 May
2019. The directors have the power to amend and reissue the financial report.

Financial Executives Institute of Australia

Directors' Report 31 March 2019

Your directors present their report on Financial Executives Institute of Australia ("FEI") for the year ended 31 March 2019.

DIRECTORS

The following persons were directors of FEI during the whole of the financial year and continue in office at the date of this report:

David Craig (President)
Julie Raffe (Vice President)

David Malek
Keith Neate

Joanne (Jodie) Baker
Michael Bradburn
Alison Harrop
Janelle Hopkins
David Lamont

Neale O'Connell
Tiernan O'Rourke
Nick Plummer
Lorna Raine

Terri Ward resigned as Company Secretary on 14 May 2018.

Jacob Muscat and Yvonne Martins both started as Company Secretary on 4 May 2018.

Timothy J Regan resigned as a director on 26 July 2018.

Brett Redman resigned as a director on 20 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of FEI is to operate as a not-for-profit association for financial executives in Australia. During the year there was no significant change in the nature of FEI's activities and FEI continued to focus on peer networking and mentoring the next generation of senior financial executives.

REVIEW OF OPERATIONS

The profit after tax of FEI for the year ended 31 March 2019 was \$7,374, compared with a profit after tax in the previous year of \$46,127. FEI is registered as a company limited by guarantee and has no share capital. The Memorandum of Association does not permit distributions to members.

Significant changes in the state of affairs

During the year there were no significant changes in the affairs of FEI other than those referred to in the statements or notes thereto.

Financial Executives Institute of Australia

Directors' Report 31 March 2019 (continued)

Matters subsequent to the end of the financial year

There has not been any matter or circumstances arising since the end of the financial year that has significantly affected or may significantly affect the operations of FEI, the results of those operations, or the state of affairs of FEI in financial years subsequent to the year under review.

Likely developments

It is not expected that there will be any material change in FEI's operations subsequent to the year under review.

Environmental regulations

FEI is not materially affected by any environmental regulation in respect of its activities.

Information on the Directors and the Secretary

Joanne (Jodie) Baker Managing Partner, Blackhall & Pearl Pty Ltd 35 years in banking and finance	Appointed 30 August 2004
Michael Bradburn Chief Financial Officer, Ausgrid 24 years in finance and accounting	Appointed 23 March 2015
David Craig Former Chief Financial Officer, Commonwealth Bank of Australia Deputy Chairman, Victor Chang Cardiac Research Institute Non-executive Director, Lendlease Group 43 years in finance, consulting and accounting	Appointed 29 February 2012
Alison Harrop Chief Financial Officer, DEXUS Property Group 33 years in industry, finance and accounting	Appointed 22 October 2013
Janelle Hopkins Chief Financial Officer, REA Group Limited Former Group Chief Financial Officer, Australia Post 26 years in industry, finance and accounting	Appointed 30 August 2016
David Lamont Chief Financial Officer, CSL Limited 33 years in industry, finance and accounting	Appointed 3 December 2013
David Malek Chief Financial Officer, Brisbane Airport Corporation 21 years in industry, banking and finance	Appointed 24 November 2017
Keith Neate Former Vice President and Chief Financial Officer, Aurizon Holdings Limited 36 years in industry, finance and accounting	Appointed 21 October 2014

Financial Executives Institute of Australia

**Directors' Report
31 March 2019
(continued)**

Neale O'Connell Former Chief Financial Officer, Tatts Group 35 years in industry, finance and accounting	Appointed 25 May 2016
Tiernan O'Rourke Chief Financial Officer, Stockland 34 years in industry, finance and accounting	Appointed 26 October 2015
Nicholas Plummer Member of the Moir Group and Thought Leadership Partners Advisory Boards Volunteer at the Asylum Seeker Centre 46 years in marketing, consulting and own business	Appointed 30 August 2016
Julie Raffe Finance Director, Village Roadshow Limited 35 years in industry, finance and accounting	Appointed 30 August 2005
Lorna Raine Chief Financial Officer, George Weston Foods 27 years in industry, finance and accounting	Appointed 26 October 2015
Yvonne Martins, Company Secretary Head of Tax and Reporting, Ausgrid 23 years in finance and accounting	Appointed 4 May 2018
Jacob Muscat, Company Secretary Head of Commercial Finance, Ausgrid 11 years in finance and accounting	Appointed 4 May 2018

**Financial Executives Institute of Australia
Directors' Report
31 March 2019
(continued)**

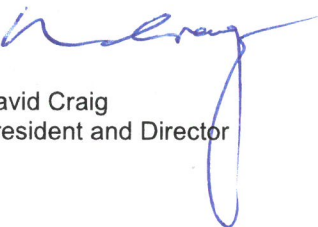
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Auditor

PricewaterhouseCoopers continues in office as auditor in accordance with Section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.


David Craig
President and Director

31.5.19

Date



Auditor's Independence Declaration

As lead auditor for the audit of Financial Executives Institute of Australia for the year ended 31 March 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'M Valerio'.

Mark Valerio
Partner
PricewaterhouseCoopers

Sydney
31 May 2019

PricewaterhouseCoopers, ABN 52 780 433 757

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Financial Executives Institute of Australia

Statement of Comprehensive Income
for the year ended 31 March 2019

	Note	31 March 2019 \$	31 March 2018 \$
Revenue from continuing operations	2	444,030	463,620
Other income	2	6,191	1,416
Lunch seminar costs		(44,136)	(42,513)
Office expenses	3	(27,371)	(34,334)
Employee benefits expenses and consultant expense		(322,035)	(294,362)
Other expenses		(49,305)	(47,700)
Surplus before income tax expense		7,374	46,127
Income tax expense	4	-	-
Surplus for the year		7,374	46,127
Other comprehensive income		-	-
Total comprehensive income		7,374	46,127

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Financial Executives Institute of Australia
Balance Sheet
as at 31 March 2019

	Note	31 March 2019 \$	31 March 2018 \$
Assets			
Current assets			
Cash and cash equivalents	5	202,183	196,597
Term deposit		155,140	150,000
Trade and other receivables		8,148	3,986
Prepayments		797	2,250
Total current assets		366,268	352,833
Total assets		366,268	352,833
Liabilities			
Current liabilities			
Trade and other payables		43,111	34,564
Deferred income		1,209	3,695
Total current liabilities		44,320	38,259
Total liabilities		44,320	38,259
Net assets		321,948	314,574
Equity			
Accumulated funds at beginning of year		314,574	268,447
Surplus for year		7,374	46,127
Accumulated funds at end of year		321,948	314,574

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity
for the year ended 31 March 2019

	Note	31 March 2019 \$	31 March 2018 \$
Total accumulated funds at the beginning of the financial year		314,574	268,447
Surplus for the year		7,374	46,127
Total accumulated funds at the end of the financial year		321,948	314,574

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Executives Institute of Australia

**Cash flow statement
for the year ended 31 March 2019**

	Note	31 March 2019 \$	31 March 2018 \$
Cash flow from operating activities			
Receipts from customers <i>(inclusive of goods & services tax)</i>		489,614	510,812
Payments to suppliers and employees <i>(inclusive of goods & services tax)</i>		(485,079)	(484,071)
		<u>4,535</u>	<u>26,741</u>
Interest received		1,051	1,416
Net cash inflow/(outflow) from operating activities		<u>5,586</u>	<u>28,157</u>
Cash flow from investing activities			
Investment in term deposit		-	(150,000)
		<u>-</u>	<u>(150,000)</u>
Cash flow from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		5,586	(121,843)
Cash and cash equivalents at the beginning of the financial year		196,597	318,440
Cash and cash equivalents at the end of the financial year	5	<u>202,183</u>	<u>196,597</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

Financial Executives Institute of Australia

Notes to the financial statements 31 March 2019

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Special purpose financial report

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia. It contains only those disclosures considered necessary by the directors to meet the needs of the members. FEI is a not-for-profit entity for the purpose of preparing financial statements.

(ii) New and amended standards adopted by the company

AASB 9 Financial Instruments

The company has applied AASB 9 Financial Instruments for the first time for their financial year beginning on 1 April 2018. The application of AASB 9 has not affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods.

(iii) New accounting standards not yet adopted by the company

AASB 15 Revenue from Contracts with Customers (effective from 1 January 2019)

AASB 15 is the new standard for the recognition of revenue, which is applicable to financial years commencing on or after 1 January 2019. AASB 15 replaces AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

AASB 1058 Income of not-for-profit entities (effective from 1 January 2019)

AASB 1058 is the new standard for the recognition of income for not-for-profit entities, which is applicable to financial years commencing on or after 1 January 2019. Rather than accounting for all contribution transactions under AASB 1004 Contributions, the company will have to determine whether a transaction is a genuine donation within the scope of AASB 1058 or a contract with a customer within the scope of AASB 15.

The impact of the above new standards has not yet been assessed by the company. The company has not elected to apply AASB 15 or AASB 1058 before their operative date in the annual reporting period beginning 1 April 2018. The company does not expect this standard to significantly affect future reporting periods.

Financial Executives Institute of Australia

**Notes to the financial statements
31 March 2019
(continued)**

AASB 16 Leases

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Company's rental expenditures are not material and hence the Company does not expect any significant impact on the financial statements as a result of this change.

The company has not elected to apply AASB 16 before its operative date in the annual reporting period beginning 1 April 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, financial assets and liabilities at fair value through profit or loss.

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. No areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are applicable.

(b) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Financial Executives Institute of Australia

Notes to the financial statements

31 March 2019

(continued)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties including duties and taxes paid.

(d) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(e) Cash, cash equivalents and term deposits

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less or term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

The Company has the following type of financial asset that is subject to AASB 9's new expected credit loss model:

- Trade receivables from membership fees and lunch seminars

The Company was required to revise its impairment methodology under AASB 9 for this class of asset. The Company has applied the AASB 9 simplified approach to measuring expected credit losses and no impairment has been identified through this assessment approach.

(g) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service and any accumulating sick leave expected to be settled after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included under payables.

Financial Executives Institute of Australia

**Notes to the financial statements
31 March 2019
(continued)**

2 Revenue from continuing operations and other income

	31 March 2019 \$	31 March 2018 \$
From continuing operations		
Membership fees (including enrolments in mid-tier company CFO programs)	30,012	47,720
Membership and mentoring program fees paid by companies on behalf of members	376,100	364,790
Lunch seminar fees	37,918	51,110
	<u>444,030</u>	<u>463,620</u>
Other income		
Interest Income	6,191	1,416
	<u>6,191</u>	<u>1,416</u>

3 Office expenses

The office expenses are made up of:

	31 March 2019 \$	31 March 2018 \$
Rent and office charges	12,896	9,663
Website and internet expenses	11,760	21,838
Telephone, printing, postage and computer costs	2,715	2,833
Total office expenses	<u>27,371</u>	<u>34,334</u>

Part of the telephone, internet, printing and postage charges are included in the rent and office charges of the serviced office.

Financial Executives Institute of Australia

**Notes to the financial statements
31 March 2019
(continued)**

4 Income tax expense

The Company is taxed on its investment income and on the net income from non-members, less deductions applicable to that income. The taxable loss in the year ended 31 March 2019 was \$6,856 resulting in a carried forward tax loss at 31 March 2019 of \$68,332.

5 Cash and cash equivalents

	31 March 2019 \$	31 March 2018 \$
Cash at bank		
Cheque account (Westpac Banking Corporation)	8,706	39,170
Interest bearing account (Westpac Banking Corporation)	193,477	157,427
Total cash and cash equivalents	<u>202,183</u>	<u>196,597</u>

6. Audit Remuneration Note

During the year \$3,038 (2018 \$2,950) was paid or payable to PricewaterhouseCoopers Australia for the audit of the 31 March 2019 financial statements.

7 Events occurring after the reporting date

No events have occurred since the reporting date that would materially affect the financial statements.

8 Guarantee

Financial Executives Institute of Australia is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute up to a maximum of \$20 each towards meeting outstanding obligations of the company.

Financial Executives Institute of Australia

**Directors' declaration
31 March 2019**

Directors' declaration

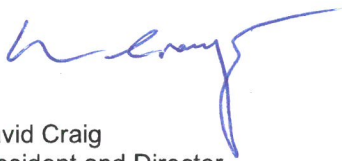
As stated in Note 1(a) to the financial statements, in the directors' opinion the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1(a).

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 13 are in accordance with the *Corporations Act 2001*, including
 - (i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the company's financial position as at 31 March 2019 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



David Craig
President and Director

Date 31-5-19



Independent auditor's report

To the members of Financial Executives Institute of Australia

Our opinion

In our opinion:

The accompanying financial report of Financial Executives Institute of Australia (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 March 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 31 March 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001* and to assist the Company in complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations

PricewaterhouseCoopers, ABN 52 780 433 757

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2001. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Financial Executives Institute of Australia and its members and should not be used by parties other than Financial Executives Institute of Australia and its members. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 March 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 the 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:



http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

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mv

Mark Valerio
Partner

Sydney
31 May 2019