



# Financial Executives International of Australia

**31 March 2008**

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

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**Financial Executives International of Australia**  
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**DIRECTORS' REPORT**

Your directors present their report on Financial Executives International of Australia ("FEIA") for the year ended 31 March 2008.

**DIRECTORS**

The following persons were directors of FEIA during the whole of the financial year and up to the date of this report:

Timothy J Regan (President)  
Dieter S Adamsas  
Joanne (Jodie) M Baker  
Michael A Bencsik  
Edward M Conway  
W Peter Day  
Gail M Evans-Hoffmann  
Michael F Ihlein  
Carlos M Mendes  
Julie E Raffe (Vice President)  
John M Wartig

Robin A Cumming was the Secretary of FEIA during the whole of the financial year and continues in office at the date of this report.

**PRINCIPAL ACTIVITIES**

The principal activity of FEIA 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 FEIA's activities. There was continued expansion of FEIA's mentoring program under which experienced chief financial officers mentor rising financial executives nominated by FEIA's corporate sponsors.

**REVIEW OF OPERATIONS**

The surplus after tax of FEIA for the year ended 31 March 2008 was \$14,977, compared with a surplus after tax in the previous year of \$10,884.

The FEIA 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 the FEIA other than those referred to in the statements or notes thereto.

**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 the FEIA, the results of those operations, or the state of affairs of the FEIA in financial years subsequent to the year under review.

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### **Likely developments**

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

### **Environmental regulations**

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

### **Information on the Directors and the Secretary**

**Dieter S Adamsas** Appointed 11 September 2001  
Director and formerly Chief Financial Officer / Deputy CEO of Leighton Holdings Limited  
37 years in industry and finance

**Joanne (Jodie) M Baker** Appointed 30 August 2004  
Managing Director, Client Credit Group, Société Générale Corporate and Investment Banking  
24 years in banking and finance

**Michael A Bencsik** Appointed 23 August 2006  
Senior Manager, Group Global Businesses, GMO - International, HSBC Holdings plc  
18 years in banking and finance

**Edward M Conway** Appointed 30 August 2005  
Chief Financial Officer, VI.SA. Australia Pty Limited  
20 years in industry, finance and accounting

**W Peter Day** Appointed 4 April 2007  
Company Director and formerly Executive General Manager Finance of Amcor Limited.  
31 years in industry, finance and accounting

**Gail M Evans-Hoffmann** Appointed 23 May 2006  
Executive Manager Finance and Commercial – Australian Mining, Thiess Pty Limited  
16 years in industry, finance and accounting

**Michael F Ihlein** Appointed 3 September 2003  
Chief Executive Officer, Brambles Limited  
33 years in industry and finance

**Carlos M Mendes** Appointed 11 September 2001  
Group Chief Accountant, Leighton Holdings Limited  
23 years in industry, finance and accounting

**Julie E Raffae** Appointed 30 August 2005  
Chief Financial Officer, Village Roadshow Limited  
24 years in industry, finance and accounting

**Timothy J Regan (President)** Appointed 3 September 2003  
Chief Operating Officer, Mirvac Group  
21 years in industry and finance

**John M Wartig** Appointed 23 August 2006  
Formerly Group Chief Financial Officer of Coca-Cola Amatil Limited  
31 years in industry, finance and accounting

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**Robin A Cumming (Secretary)**

Appointed 21 April 2004

Formerly Chief Financial Officer of Petsec Energy Limited and of Export Finance and Insurance Corporation.

40 years in industry, consulting and finance

**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 4.

**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.

(signed)

Timothy J Regan  
President and Director

27 June 2008

(signed)

Edward M Conway  
Director

PricewaterhouseCoopers  
ABN 52 780 433 757

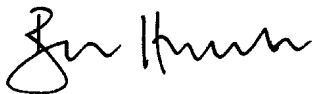
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## Auditor's Independence Declaration

As lead auditor for the audit of Financial Executives International of Australia for the year ended 31 March 2008, 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.

This declaration is in respect of Financial Executives International of Australia during the period.



Brian Hunter  
Partner  
PricewaterhouseCoopers

Sydney  
27 June 2008

**Financial Executives International of Australia**  
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**Income Statement**

**for the year ended 31 March 2008**

	Note	31 March 2008 \$	31 March 2007 \$
Revenue from continuing operations	2	225,254	167,819
Other income	2	7,487	5,215
Luncheon seminar costs		(53,059)	(37,454)
Office expenses	3	(13,524)	(12,402)
Employee benefits expenses and consultant expense		(138,513)	(99,750)
Other expenses		(12,668)	(12,544)
Profit before income tax expense		14,977	10,884
Income tax expense	4	-	-
Profit for the year		14,977	10,884

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

**Financial Executives International of Australia**  
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**Balance Sheet**

	Note	31 March 2008 \$	31 March 2007 \$
<b>Assets</b>			
Current assets			
Cash and cash equivalents	5	102,548	76,377
Prepayments		1,010	4,025
Trade and other receivables		2,600	2,495
Total current assets		106,158	82,897
<b>Total assets</b>		106,158	82,897
<b>Liabilities</b>			
Current liabilities			
Trade and other payables		24,083	20,225
Deferred income		5,771	1,345
Total current liabilities		29,854	21,570
Total liabilities		29,854	21,570
<b>Net assets</b>		76,304	61,327
<b>Equity</b>			
Accumulated funds at beginning of year		61,327	50,443
Surplus for year		14,977	10,884
Accumulated funds at end of year		76,304	61,327

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

**Statement of changes in equity**

	Note	31 March 2008 \$	31 March 2007 \$
Total accumulated funds at the beginning of the financial year		61,327	50,443
Surplus for the year		14,977	10,884
Total accumulated funds at the end of the financial year		76,304	61,327

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

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**Cash flow statement**

	Note	31 March 2008 \$	31 March 2007 \$
Cash flow from operating activities			
Receipts from customers <i>(inclusive of goods &amp; services tax)</i>		250,762	176,971
Payments to suppliers and employees <i>(inclusive of goods &amp; services tax)</i>		(232,078)	(176,067)
		18,684	904
Interest received		7,487	5,215
Net cash inflow from operating activities		26,171	6,119
Cash flow from investing activities		-	-
Cash flow from financing activities		-	-
Net increase in cash held		26,171	6,119
Cash and cash equivalents at the beginning of the financial year		76,377	70,258
Cash and cash equivalents at the end of the financial year	5	102,548	76,377

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



**Financial Executives International of Australia**  
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**Notes to the financial statements**  
**31 March 2008**

**1 Summary of significant accounting policies**

**(a) Basis of accounting**

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 directors have determined that the accounting policies are appropriate to meet the needs of the members.

The financial report has been prepared in accordance with AASB 101 *Presentation of Financial Statements (except as stated below)*, AASB 107 *Cash Flow Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031 *Materiality* and AASB 1048 *Interpretation and Application of Standards* which apply to all entities required to prepare financial reports under the *Corporations Act 2001*. The financial report also complies with other applicable Accounting Standards with the exception of the disclosure requirements in the following:

AASB 7 – Financial Instruments: Disclosures  
AASB 101 – Presentation of Financial Statements: Paragraph 124A to 124C  
AASB 107 – *Cash Flow Statement*: the disclosure required under paragraph 20.1  
AASB 112 – *Income taxes*  
AASB 114 – *Segment Reporting*  
AASB 124 – *Related Party Disclosures*

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

**(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.

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**(c) Revenue recognition**

Amounts disclosed as revenue are net of 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 and cash equivalents**

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 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.

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Notes to the financial statements  
31 March 2008

**2 Revenue**

	<b>31 March 2008</b>	<b>31 March 2007</b>
	\$	\$
From continuing operations		
Subscriptions of members	10,745	10,260
Corporate sponsorship of members	158,000	107,000
Luncheon seminar fees and luncheon sponsorship	56,509	50,559
	225,254	167,819
Other income		
Interest income	7,487	5,215

**3 Expenses**

The increase in consultant and other costs over the prior year is mainly due to the expansion in FEIA's mentoring program for younger financial executives.

The office expenses are made up of:

	<b>31 March 2008</b>	<b>31 March 2007</b>
	\$	\$
Rent and office charges	8,149	8,148
Website charges	2,006	1,759
Telephone, printing and postage	3,369	2,495
Total office expenses	13,524	12,402

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

**4 Income tax**

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 2008 was \$3,374, resulting in a carried forward tax loss at 31 March 2008 of \$38,399.

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Notes to the financial statements  
31 March 2008

**5 Cash at bank and on deposit**

	31 March 2008	31 March 2007
	\$	\$
Cash at bank		
Cheque account (Westpac Banking Corporation)	6,897	7,064
Max-i Direct account (Westpac Banking Corporation)	91,322	64,468
Cheque account (National Australia Bank - BNZA)	-	1,886
Cheque account (National Australia Bank)	4,329	2,959
Total cash at bank and on deposit	102,548	76,377

**6 Events occurring after the reporting date**

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

**7 Related party transactions**

To enable the Company to have access to the whole of the website and information available to members of Financial Executives International in the USA (FEI-USA), the Company pays the FEI-USA membership fees of the President (Tim Regan, a director of the Company) and the Secretary (Robin Cumming), which amount to US\$495 per annum each.

**Financial Executives International of Australia**  
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Notes to the financial statements  
31 March 2008

**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 5 to 11 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 2008 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.

(signed)

Timothy J Regan  
President and Director

(signed)

Edward M Conway  
Director

27 June 2008

## Independent auditor's report to the members of Financial Executives International of Australia

### Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Financial Executives International of Australia (the company), which comprises the balance sheet as at 31 March 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 company'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 company's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which they were prepared.

**Independent auditor's report to the members of  
Financial Executives International of Australia (continued)**

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.


*Auditor's opinion*

In our opinion, the financial report of Financial Executives International of Australia 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 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.



PricewaterhouseCoopers



Brian Hunter  
Partner

Sydney  
27 June 2008