

# **Financial Executives International of Australia**

## **31 March 2011**

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

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## **Financial Executives International of Australia**

### **Directors' Report 31 March 2011**

Your directors present their report on Financial Executives International of Australia ("FEI") for the year ended 31 March 2011.

#### **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:

Timothy J Regan (President)  
Dieter S Adamsas  
Joanne (Jodie) M Baker  
Edward M Conway  
W Peter Day  
Gail M Evans  
Raymond M Gunston  
Carlos M Mendes  
Slavko Planinic  
Julie E Raffe (Vice President)  
J Craig U White

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

#### **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 surplus after tax of FEI for the year ended 31 March 2011 was \$35,228, compared with a surplus after tax in the previous year of \$6,374.

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.

#### **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.

## Financial Executives International of Australia

### Directors' Report 31 March 2011 (Continued)

#### 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

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

**Joanne (Jodie) M Baker** Appointed 30 August 2004  
Head of Business, Credit Performance & Controls, Institutional Bank, Australia and New Zealand Banking Group Limited  
27 years in banking and finance

**Edward M Conway** Appointed 30 August 2005  
Chief Financial Officer, VISA Global Logistics Pty Limited  
23 years in industry, finance and accounting

**W Peter Day** Appointed 4 April 2007  
Non-executive Company Director and formerly Executive General Manager Finance of Amcor Limited. Listed company directorships are Ansell Limited, Centro Retail Trust, Orbital Corporation Limited and SAI Global Limited.  
34 years in industry, finance and accounting

**Gail M Evans** Appointed 23 May 2006  
Principal Finance Manager, Upstream, Queensland Gas Limited  
19 years in industry, finance and accounting

**Raymond M Gunston** Appointed 29 July 2009  
Chief Financial Officer, Tatts Group Limited. Non-executive director of Sigma Pharmaceuticals Limited.  
31 years in industry, banking, finance, consulting and teaching

**Carlos M Mendes** Appointed 11 September 2001  
Group Financial Controller, Leighton Holdings Limited  
26 years in industry, finance and accounting

**Slavko Planinic** Appointed 20 August 2008  
Chief Financial Officer, ABB Australia Pty Limited  
25 years in industry, finance and accounting

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

**Financial Executives International of Australia**

**Directors' Report  
31 March 2011  
(Continued)**

**Timothy J Regan (President)** Appointed 3 September 2003  
Formerly CFO/COO of Mirvac Group  
25 years in industry, finance and accounting

**J Craig U White** Appointed 20 August 2008  
Chief Financial Officer of Billabong International Limited  
26 years in industry, finance and accounting

**Robin A Cumming (Secretary)** Appointed 21 April 2004  
Formerly Chief Financial Officer of Petsec Energy Limited and of Export Finance and Insurance Corporation.  
43 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.



Timothy J Regan  
President and Director

18 May 2011

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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 2011, 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.



Brett Entwistle  
Partner  
PricewaterhouseCoopers

Sydney  
18 May 2011

**Financial Executives International of Australia**

**Statement of Comprehensive Income  
for the year ended 31 March 2011**

	<b>Note</b>	<b>31 March 2011 \$</b>	<b>31 March 2010 \$</b>
Revenue from continuing operations	2	303,318	263,046
Other income	2	10,243	5,636
Luncheon seminar costs		(52,819)	(57,502)
Office expenses	3	(18,824)	(15,401)
Employee benefits expenses and consultant expense		(185,398)	(168,610)
Other expenses		(21,292)	(20,795)
Surplus before income tax expense		<u>35,228</u>	<u>6,374</u>
Income tax expense	4	<u>-</u>	<u>-</u>
Surplus for the year		35,228	6,374
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>35,228</u>	<u>6,374</u>

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

**Financial Executives International of Australia**

**Balance Sheet  
as at 31 March 2011**

	<b>Note</b>	<b>31 March 2010 \$</b>	<b>31 March 2010 \$</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	5	202,030	153,407
Prepayments		-	2,250
Trade and other receivables		2,750	-
Total current assets		<u>204,780</u>	<u>155,657</u>
<b>Total assets</b>		204,780	155,657
<b>Liabilities</b>			
Current liabilities			
Trade and other payables		30,599	25,704
Deferred income		14,877	5,877
Total current liabilities		<u>45,476</u>	<u>31,581</u>
Total liabilities		45,476	31,581
<b>Net assets</b>		<u>159,304</u>	<u>124,076</u>
<b>Equity</b>			
Accumulated funds at beginning of year		124,076	117,702
Surplus for year		35,228	6,374
Accumulated funds at end of year		<u>159,304</u>	<u>124,076</u>

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

**Statement of changes in equity  
for the year ended 31 March 2011**

	<b>Note</b>	<b>31 March 2011 \$</b>	<b>31 March 2010 \$</b>
Total accumulated funds at the beginning of the financial year		124,076	117,702
Surplus for the year		35,228	6,374
Total accumulated funds at the end of the financial year		<u>159,304</u>	<u>124,076</u>

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

**Financial Executives International of Australia**

**Cash flow statement  
for the year ended 31 March 2011**

	Note	31 March 2011 \$	31 March 2010 \$
Cash flow from operating activities			
Receipts from customers <i>(inclusive of goods &amp; services tax)</i>		342,448	293,600
Payments to suppliers and employees <i>(inclusive of goods &amp; services tax)</i>		(304,068)	(288,531)
		38,380	5,069
Interest received		10,243	5,636
Net cash inflow from operating activities		48,623	10,705
Cash flow from investing activities		-	-
Cash flow from financing activities		-	-
Net increase in cash held		48,623	10,705
Cash and cash equivalents at the beginning of the financial year		153,407	142,702
Cash and cash equivalents at the end of the financial year	5	202,030	153,407

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



## Financial Executives International of Australia

### Notes to the financial statements 31 March 2011

#### 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.

**Financial Executives International of Australia**

**Notes to the financial statements**

**31 March 2011**

**(continued)**

**(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.

**Financial Executives International of Australia**

**Notes to the financial statements  
31 March 2011  
(continued)**

**2 Revenue**

	<b>31 March 2011 \$</b>	<b>31 March 2010 \$</b>
From continuing operations		
Subscriptions of members (including enrolments in mid-tier company CFO programs)	24,486	22,210
Corporate sponsorship payments on behalf of members (including mentorees)	219,250	183,000
Luncheon seminar fees and luncheon sponsorship	59,582	57,836
	303,318	263,046
Other income		
Interest income	10,243	5,636

**3 Expenses**

The office expenses are made up of:

	<b>31 March 2011 \$</b>	<b>31 March 2010 \$</b>
Rent and office charges	9,988	8,929
Website charges	1,550	1,550
Telephone, printing, postage and computer costs	7,286	4,922
Total office expenses	18,824	15,401

Part of the telephone, internet, printing and postage charges are included in the rent and office charges of the serviced office. The computer costs include the \$2,293 purchase cost of various items of equipment which have been expensed.

**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 2011 was \$613, resulting in a carried forward tax loss at 31 March 2011 of \$43,483.

**Financial Executives International of Australia**

**Notes to the financial statements**

**31 March 2011**

**(continued)**

**5 Cash at bank and on deposit**

	31 March 2011 \$	31 March 2010 \$
Cash at bank		
Cheque account (Westpac Banking Corporation)	(990)	730
Interest bearing account (Westpac Banking Corporation)	203,020	152,677
Total cash at bank and on deposit	<u>202,030</u>	<u>153,407</u>

**6 Events occurring after the reporting date**

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

**7 Guarantee**

Financial Executives International 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 International of Australia**

**Directors' declaration  
31 March 2011**

**Directors' declaration**

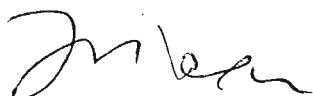
As stated in Note 1(a) to the financial statements, in the directors' opinion the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the *Corporations Act 2001* requirements.

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 2011 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.



Timothy J Regan  
President and Director

18 May 2011

## 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 statement of financial position as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 of the financial report 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 a financial report that is free from material misstatement, whether due to fraud or error.

#### *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 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 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*.

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

*Auditor's opinion*

In our opinion, the financial report of Financial Executives International of Australia is in accordance with the *Corporations Act 2001*, including:

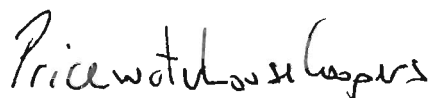
- (a) giving a true and fair view of the company's financial position as at 31 March 2011 and of its performance for the year ended on that date, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

*Basis of Accounting and Restriction on Use*

Without modifying our opinion, we draw attention to Note 1 to 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*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of Financial Executives International of Australia.

*Matters relating to the electronic presentation of the audited financial report*

This auditor's report relates to the financial report of Financial Executives International of Australia (the company) for the year ended included on the company's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



PricewaterhouseCoopers



Brett Entwistle  
Partner

Sydney  
18 May 2011