

Appendix B—Annual Accounts and Directors' Report

Financial Executives Institute of Australia

31 March 2018

(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 14 May 2018. The directors have the power to amend and reissue the financial report.

Financial Executives Institute of Australia

Directors' Report 31 March 2018

Your directors present their report on Financial Executives Institute of Australia ("FEI") for the year ended 31 March 2018.

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 P Craig (President)	Keith Neate
Julie E Raffe (Vice President)	David Malek
Joanne (Jodie) M Baker	Nick Plummer
Michael Bradburn	Janelle Hopkins
Alison Harrop	Neale O'Connell
David Lamont	Timothy J Regan
Tiernan O'Rourke	Lorna Raine

Brett Redman joined this year as a director on Tuesday 20 March 2018 and continues in office at the date of this report.

David Malek joined this year as a director on Friday 24 November 2017 and continues in office at the date of this report.

Daniela Ainsworth resigned as Company Secretary on 30 November 2017.

Terri Ward started as Company Secretary on 30 November 2017.

Edward M Conway resigned as a director on 25 October 2017.

J Craig U White resigned as a director on 31 October 2017.

W Peter Day resigned as a director on 22 September 2017.

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 2018 was \$46,127, compared with a profit after tax in the previous year of \$31,335. 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 have not been any matter or circumstances arising since the end of the financial year that have 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.

Financial Executives Institute of Australia

**Directors' Report
31 March 2018
(continued)**

Information on the Directors and the Secretary

Joanne (Jodie) M Baker Appointed 30 August 2004
Managing Partner, Blackhall & Pearl Pty Ltd
34 years in banking and finance

Michael Bradburn Appointed 23 March 2015
Chief Financial Officer, Ausgrid
23 years in finance and accounting

David P Craig Appointed 29 February 2012
Former Chief Financial Officer, Commonwealth Bank of Australia
Deputy Chairman, Victor Chang Cardiac Research Institute
Non-executive Director, Lendlease Group
42 years in finance, consulting and accounting

Janelle Hopkins Appointed 30 August 2016
Chief Financial Officer, Australia Post
25 years in industry, finance and accounting

Alison C Harrop Appointed 22 October 2013
Chief Financial Officer, DEXUS Property Group
32 years in industry, finance and accounting

David M Lamont Appointed 3 December 2013
Chief Financial Officer, CSL Limited
32 years in industry, finance and accounting

David Malek Appointed 24 November 2017
Chief Financial Officer, Brisbane Airport Corporation
20 years in industry, banking and finance

Keith Neate Appointed 21 October 2014
Former Vice President and Chief Financial Officer, Aurizon Holdings Limited
35 years in industry, finance and accounting

Financial Executives Institute of Australia

**Directors' Report
31 March 2018
(continued)**

- Neale O'Connell** Appointed 25 May 2016
Former Chief Financial Officer, Tatts Group
34 years in industry, finance and accounting
- Tiernan O'Rourke** Appointed 26 October 2015
Chief Financial Officer, Stockland
33 years in industry, finance and accounting
- Nicholas Plummer** Appointed 30 August 2016
Part owner of the Career Insight Group
Member of the Moir Group and Thought Leadership Partners Advisory Boards
Volunteer at the Asylum Seeker Centre
45 years in marketing, consulting and own business
- Julie E Raffe** Appointed 30 August 2005
Finance Director, Village Roadshow Limited
34 years in industry, finance and accounting
- Lorna Raine** Appointed 26 October 2015
Chief Financial Officer, George Weston Foods
26 years in industry, finance and accounting
- Brett Redman** Appointed 8 February 2018
Chief Financial Officer, AGL
26 years in industry, finance and accounting
- Timothy J Regan** Appointed 3 September 2003
Chief Operating Officer and Chief Financial Officer of The George Institute for
Global Health
32 years in industry, finance and accounting
- Terri Ward, Company Secretary** Appointed 30 November 2017
Company Secretary and Melbourne Program Director of Financial Executives
Institute of Australia
20 years in consulting and recruitment

Financial Executives Institute of Australia

**Directors' Report
31 March 2018
(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 6.

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

14/5/18

Date



Auditor's Independence Declaration

As lead auditor for the audit of Financial Executives Institute of Australia for the year ended 31 March 2018, 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', with a horizontal line extending to the right.

Mark Valerio
Partner
PricewaterhouseCoopers

Sydney
14 May 2018

Financial Executives Institute of Australia

**Statement of Comprehensive Income
for the year ended 31 March 2018**

	Note	31 March 2018 \$	31 March 2017 \$
Revenue from continuing operations	2	463,620	431,340
Other income	2	1,416	4,113
Lunch seminar costs		(42,513)	(44,482)
Office expenses	3	(34,334)	(14,885)
Employee benefits expenses and consultant expense		(294,362)	(274,794)
Other expenses		(47,700)	(69,957)
Surplus before income tax expense		46,127	31,335
Income tax expense	4	-	-
Surplus for the year		46,127	31,335
Other comprehensive income		-	-
Total comprehensive income		46,127	31,335

*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 2018

	Note	31 March 2018 \$	31 March 2017 \$
Assets			
Current assets			
Cash and cash equivalents	5	196,597	318,440
Term deposit		150,000	
Trade and other receivables		3,986	-
Prepayments		2,250	-
Total current assets		<u>352,833</u>	<u>318,440</u>
Total assets		<u>352,833</u>	<u>318,440</u>
Liabilities			
Current liabilities			
Trade and other payables		34,564	44,126
Deferred income		3,695	5,867
Total current liabilities		<u>38,259</u>	<u>49,993</u>
Total liabilities		<u>38,259</u>	<u>49,993</u>
Net assets		<u>314,574</u>	<u>268,447</u>
Equity			
Accumulated funds at beginning of year		268,447	237,112
Surplus for year		46,127	31,335
Accumulated funds at end of year		<u>314,574</u>	<u>268,447</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 2018**

	Note	31 March 2018 \$	31 March 2017 \$
Total accumulated funds at the beginning of the financial year		268,447	237,112
Surplus for the year		46,127	31,335
Total accumulated funds at the end of the financial year		<u>314,574</u>	<u>268,447</u>

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 2018**

	Note	31 March 2018 \$	31 March 2017 \$
Cash flow from operating activities			
Receipts from customers <i>(inclusive of goods & services tax)</i>		510,812	480,517
Payments to suppliers and employees <i>(inclusive of goods & services tax)</i>		(484,071)	(436,223)
		<hr/> 26,741	<hr/> 44,294
Interest received		1,416	3,113
Net cash inflow/(outflow) from operating activities		<hr/> 28,157	<hr/> 47,407
Cash flow from investing activities			
Withdrawal of funds to be placed on term deposit		(150,000)	-
		<hr/> (150,000)	<hr/> -
Cash flow from financing activities		<hr/> -	<hr/> -
Net increase/(decrease) in cash held		(121,843)	47,407
Cash and cash equivalents at the beginning of the financial year		318,440	271,033
Cash and cash equivalents at the end of the financial year	5	<hr/> 196,597	<hr/> 318,440

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 2018

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

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 April 2017 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods.

(iii) Early adoption of standards

The company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 April 2017.

(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.

Financial Executives Institute of Australia

Notes to the financial statements 31 March 2018 (continued)

(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.

(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.

Financial Executives Institute of Australia

**Notes to the financial statements
31 March 2018
(continued)**

(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.

(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 2018
(continued)

2 Revenue from continuing operations and other income

	31 March 2018	31 March 2017
	\$	\$
Revenue from continuing operations		
Membership fees (including enrolments in Growth Series)	47,720	40,129
Membership and mentoring program fees paid by companies on behalf of members	364,790	344,867
Lunch seminar fees	51,110	46,344
Total revenue from continuing operations	<u>463,620</u>	<u>431,340</u>
Other income		
Interest Income	1,416	3,113
Advertising income	-	1,000
Total other income	<u>1,416</u>	<u>4,113</u>

3 Office expenses

The office expenses are made up of:

	31 March 2018	31 March 2017
	\$	\$
Rent and office charges	9,663	2,650
Website and internet expenses	21,838	10,812
Telephone, printing, postage and computer costs	2,833	1,423
Total office expenses	<u>34,334</u>	<u>14,885</u>

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

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 2018 was \$5,113 resulting in a carried forward tax loss at 31 March 2018 of \$61,476.

Financial Executives Institute of Australia

**Notes to the financial statements
31 March 2018
(continued)**

5 Cash and cash equivalents

	31 March 2018	31 March 2017
	\$	\$
Cash at bank		
Cheque account (Westpac Banking Corporation)	39,170	17,430
Interest bearing account (Westpac Banking Corporation)	157,427	301,010
Total cash and cash equivalents	<u>196,597</u>	<u>318,440</u>

6. Auditor remuneration

During the year \$2,950 (2017: \$2,850) was paid or payable to PricewaterhouseCoopers Australia for the audit of the 31 March 2018 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 2018**

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 6 to 12 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 2018 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

14/5/18
Date

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 2018 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 2018
- 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*. 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 Company's Financial Report for the year ended 31 March 2018, including the Directors' Report, 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 identified above 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 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 *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.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Financial Executives Institute of Australia for the year ended 31 March 2018 included on Financial Executives Institute of Australia's web site. The directors of the Company are responsible for the integrity of Financial Executives Institute of Australia'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



Mark Valerio
Partner

Sydney
14 May 2018