

Financial Executives International of Australia

31 March 2010

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

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Financial Executives International of Australia

Directors' Report 31 March 2010

Your directors present their report on Financial Executives International of Australia ("FEI") for the year ended 31 March 2010.

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-Hoffmann
Carlos M Mendes
Slavko Planinic
Julie E Raffe (Vice President)
J Craig U White

Raymond M Gunston was appointed as director on 29 July 2009 and continues in office at the date of this report.

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 2010 was \$6,374, compared with a surplus after tax in the previous year of \$41,398.

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 2010 (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
Director (and formerly Chief Financial Officer / Deputy CEO) of Leighton Holdings Limited
39 years in industry and finance

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

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

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

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

Raymond M Gunston Appointed 29 July 2009
Chief Financial Officer, Tatts Group Limited
30 years in industry, banking, finance, consulting and teaching

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

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

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

Timothy J Regan (President) Appointed 3 September 2003
Chief Executive Officer, TJS Services and formerly CFO/COO of Mirvac Group
22 years in industry, finance and accounting

Financial Executives International of Australia

**Directors' Report
31 March 2010
(Continued)**

J Craig U White Appointed 20 August 2008
Chief Financial Officer of Billabong International Limited
25 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.
42 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

18 May 2010

Auditor's Independence Declaration

As lead auditor for the audit of Financial Executives International of Australia for the year ended 31 March 2010, 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.

(signed)

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
18 May 2010

Financial Executives International of Australia

**Statement of Comprehensive Income
for the year ended 31 March 2010**

	Note	31 March 2010 \$	31 March 2009 \$
Revenue from continuing operations	2	263,046	277,628
Other income	2	5,636	8,619
Luncheon seminar costs		(57,502)	(55,494)
Office expenses	3	(15,401)	(14,726)
Employee benefits expenses and consultant expense		(168,610)	(158,523)
Other expenses		(20,795)	(16,106)
Surplus before income tax expense		<u>6,374</u>	<u>41,398</u>
Income tax expense	4	<u>-</u>	<u>-</u>
Surplus for the year		6,374	41,398
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>6,374</u>	<u>41,398</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 2010**

	Note	31 March 2010 \$	31 March 2009 \$
Assets			
Current assets			
Cash and cash equivalents	5	153,407	142,702
Prepayments		2,250	2,500
Trade and other receivables		-	-
Total current assets		155,657	145,202
Total assets		155,657	145,202
Liabilities			
Current liabilities			
Trade and other payables		25,704	25,387
Deferred income		5,877	2,113
Total current liabilities		31,581	27,500
Total liabilities		31,581	27,500
Net assets		124,076	117,702
Equity			
Accumulated funds at beginning of year		117,702	76,304
Surplus for year		6,374	41,398
Accumulated funds at end of year		124,076	117,702

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

**Statement of changes in equity
for the year ended 31 March 2010**

	Note	31 March 2010 \$	31 March 2009 \$
Total accumulated funds at the beginning of the financial year		117,702	76,304
Surplus for the year		6,374	41,398
Total accumulated funds at the end of the financial year		124,076	117,702

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 2010**

	Note	31 March 2010 \$	31 March 2009 \$
Cash flow from operating activities			
Receipts from customers <i>(inclusive of goods & services tax)</i>		293,600	303,966
Payments to suppliers and employees <i>(inclusive of goods & services tax)</i>		(288,531)	(272,431)
		5,069	31,535
Interest received		5,636	8,619
Net cash inflow from operating activities		10,705	40,154
Cash flow from investing activities		-	-
Cash flow from financing activities		-	-
Net increase in cash held		10,705	40,154
Cash and cash equivalents at the beginning of the financial year		142,702	102,548
Cash and cash equivalents at the end of the financial year	5	153,407	142,702

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 2010

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 2010

(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 2010
(continued)**

2 Revenue

	31 March 2010	31 March 2009
	\$	\$
From continuing operations		
Subscriptions of members (including enrolments in mid-tier company CFO programs)	22,210	16,100
Corporate sponsorship payments on behalf of members (including mentorees)	183,000	199,500
Luncheon seminar fees and luncheon sponsorship	57,836	62,028
	263,046	277,628
Other income		
Interest income	5,636	8,619

3 Expenses

The office expenses are made up of:

	31 March 2010	31 March 2009
	\$	\$
Rent and office charges	8,929	8,123
Website charges	1,550	1,440
Telephone, printing, postage and computer usage	4,922	5,163
Total office expenses	15,401	14,726

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 2010 was \$6,060, resulting in a carried forward tax loss at 31 March 2010 of \$42,870.

Financial Executives International of Australia

**Notes to the financial statements
31 March 2010
(continued)**

5 Cash at bank and on deposit

	31 March 2010 \$	31 March 2009 \$
Cash at bank		
Cheque account (Westpac Banking Corporation)	730	7,061
Interest bearing account (Westpac Banking Corporation)	152,677	135,641
Total cash at bank and on deposit	<u>153,407</u>	<u>142,702</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 2010**

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 2010 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

18 May 2010

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 2010, and the statement of comprehensive income, 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 it was 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.

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 2010 and of its performance for the year 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*.

(signed)

PricewaterhouseCoopers

(signed)

Brett Entwistle
Partner

Sydney
18 May 2010