

Fund Executives Association Limited

ABN 21 086 016 131

Annual Report

30 June 2022

Fund Executives Association Limited
Annual report as at and for the year ended 30 June 2022

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Directors' report for the year ended 30 June 2022

The Directors present their report together with the financial report of Fund Executives Association Limited (“the Association” or “FEAL”) for the financial year ended 30 June 2022 and the auditor’s report thereon.

1. Directors

Name and qualifications	Experience and special responsibilities
<p>Jane Lovell Perry <i>BA, BSc, Dip Ed</i> (Re-appointed 5 August 2020. Resigned 3 May 2022)</p>	<p>Jane is an independent Director of FEAL and was first appointed to the role of Chair in August 2016. Jane was appointed to the QIC Ltd board in October 2018 and was a non-executive director on the BT Superannuation Boards (February 2016 – July 2020). She was previously the CEO of Qantas Super and formerly CEO of JP Morgan Treasury and Securities Services for Australia and New Zealand.</p>
<p>Brian John Delaney <i>FASFA, FAICD</i> (Appointed 3 May 2022)</p>	<p>Brian is an independent director of FEAL and was appointed to the role of Chair in May 2022. Brian has more than 35 years of funds management experience across Private Equity, Infrastructure, Real Estate and Listed Markets.</p> <p>Brian is a graduate of the Harvard Business School Executive Education Program and a life member of the Association of Superannuation Funds (ASFA), as well as a Fellow of ASFA and a fellow of the Australian Institute of Company Directors, Brian also serves as a Director of the Trawalla Group and a Director of the Board of Qualitas (QAL) and Auctus Investment Group (AVC).</p>

Name and qualifications	Experience and special responsibilities
<p>Paul Dean Watson <i>Diploma Financial Planning, Diploma SM, PLD (HBS), FASFA, FAIST</i> (Re-appointed 24 November 2021)</p>	<p>Paul re-joined as a FEAL Director in April 2016, having chaired FEAL's Programme Committee from 2011 to 2016, and was previously a FEAL Director from 2006 to 2011. Paul is Group Executive, Member Experience at Hostplus. He has broad experience in superannuation and the financial services industry across a range of business disciplines. Paul has held C-suite and senior executive roles in both public and private sectors, including chief executive, executive director and group executive positions in several of Australia's best known and performing superannuation and pension funds. Paul is a member of the ASFA Superannuation System Design Policy Council and its Fund Advisory Panel. He was presented with the FEAL Fund Executive of the Year award in 2006.</p>
<p>Julie Hermine Lander <i>B. Bus, FAIST, MAHRI, Grad Diploma in Organisational Leadership, MAICD</i> (Re-appointed 18 November 2020)</p>	<p>Julie first became a FEAL Director in August 2011. She has been the CEO of CareSuper since 2002. Julie's experience in superannuation has been developed over 30 years with corporate and industry superannuation funds. She is a Director of AIST and Chair of the Policy Committee of AIST. Prior to joining CareSuper, Julie worked for professional service firms and membership organisations, including 13 years as National HR Manager for a major employer organisation and five years in manufacturing. Julie was presented with the FEAL Fund Executive of the Year award in 2022.</p>
<p>Lisa Marie Samuels <i>B App Econ, Grad Dip Marketing, Masters of Organisational Leadership, GAICD</i> (Appointed 12 April 2022)</p>	<p>Lisa was appointed as a FEAL Director on 12th April 2022. Lisa is Chief Experience Officer at HESTA with over twenty years experience in financial services having worked for a number of superannuation funds. Lisa is a member of the FEAL Program Committee.</p>
<p>Deanne Rae Stewart <i>BCom, MBA</i> (Appointed 19 April 2022)</p>	<p>Deanne was first appointed as a FEAL Director on 19th April 2022. Deanne is CEO of Aware Super and was the 2021 FEAL Fund Executive of the Year. Deanne is also a Director of ASFA, ASIC and Redkite.</p>

Name and qualifications	Experience and special responsibilities
<p>Leeanne Cherise Turner <i>Dip Financial Services, GAICD, Stanford Graduate of Business Exec Ed</i> (Re-appointed 18 November 2020. Resigned 31 March 2022)</p>	<p>Leeanne has over 40 years' experience in the superannuation industry having worked across a broad spectrum of superannuation funds, at various levels. She was the CEO of Spirit Super (formerly MTAA Super) having been promoted from Deputy CEO in 2011 and resigned in March 2022. Prior to joining MTAA Super, Leeanne was CEO of AvSuper. Leeanne was presented with the FEAL Fund Executive of the Year award in 2014.</p>
<p>Laura Ann Wright <i>BA, Dip Lib, Dip Ed</i> (Appointed 10 August 2020)</p>	<p>Laura has been involved in the superannuation industry for over 30 years. Appointed in 1988 as a founding Trustee Director of NGS Super and Chair in 1993/4, Laura moved into the superannuation industry in 1995 and held senior client relationship and operational roles at three different administrators working closely with a number of super funds. In 2008, Laura was appointed as the General Manager Operations at NGS Super and CEO in 2018.</p>
<p>Ross Howard Piper <i>BSc, Grad Dip of Education, MBA, GAICD</i> (Re-appointed 24 November 2021)</p>	<p>Ross is the CEO of Christian Super. He has over 25 years of leadership and management experience in corporate and non-profit contexts. Prior to Ross' appointment as Christian Super CEO in Jan 2018, he was COO with World Vision Australia and also served with World Vision International for several years in the Middle East. Ross also currently serves on various other boards including the Responsible Investment Association of Australasia.</p>
<p>Joanne Townsend <i>BMath Fin, CIMA</i> (Appointed 1 July 2021)</p>	<p>Jo is the CEO of Funds SA. Jo has worked in financial services for more than 25 years across both the public and private sectors. Jo has also held senior executive roles at REST Industry Super, including Acting Chief Operating Officer and General Manager, Investments, with prior roles in the superannuation sector at NGS Super and the Retirement Benefits Fund of Tasmania. She was appointed to the FEAL board on 1 July 2021.</p>
<p>Damian Michael Wills <i>BA, Diploma Financial Planning Dip SM</i> (Appointed 1 July 2021)</p>	<p>Damian is the CEO of BUSSQ. Damian was formerly the Chief Operating Officer of BUSSQ and has worked in the superannuation and pension funds industry, both domestically and internationally, for the past 30 years. He was appointed to the FEAL board on 1 July 2021.</p>

2. Company Secretary

Joanna Davison was appointed as FEAL CEO and Company Secretary on 28 November 2013.

Joanna has had a long career in the financial services industry as a fund manager and senior executive. Prior to joining FEAL, Joanna was the Regional Managing Director at Colonial First State Global Asset Management and earlier a Director at Russell Investments. Joanna has an MA from Cambridge University, a Masters in Organisational Leadership from MBS and is a member of the AICD. She is Treasurer of the National Young Writers Festival, a member of the CQJ Investment Committee and Deputy Chair of the Aminata Maternal Foundation.

Joanna has announced her retirement as CEO and Company Secretary of FEAL effective 31 December 2022 after nine very rewarding years. During her time as CEO, FEAL has made a significant contribution to the superannuation industry.

3. Directors' meeting attendance

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Association during the financial year are:

Director	No. of meetings eligible to attend	No. of meetings attended
Jane Perry	5	5
Brian Delaney	2	2
Julie Lander	5	5
Deanne Stewart	1	0
Leeanne Turner	4	3
Paul Watson	5	5
Laura Wright	5	4
Lisa Samuels	1	1
Ross Piper	5	5
Joanne Townsend	5	4
Damian Wills	5	3

4. Objectives and strategies

The Association is dedicated to supporting the professional development of leaders in the superannuation industry. FEAL provides members with unique opportunities to discuss industry issues and learn from the insights and experiences of their peers. The Association's programs include: a conference and forum, national luncheon briefings, presentations,

scholarships and awards. In addition, the Association delivers a customised executive education program in partnership with Melbourne Business School that responds to the unique needs of senior executives working in superannuation, and a mentoring program that supports senior management develop their career goals.

The Association's long-term objective is to support the professional development and leadership capability of executives working in the Australian superannuation industry. Each event and program is developed in response to a specific need or opportunity to enhance learning, development and networking among our membership.

The Association's short-term objectives include the successful delivery and promotion of membership, the expansion of the MBS Executive Education Program and a commitment to identify and develop opportunities for the Association to partner with organisations that can extend the value we offer to fund executives.

The Association measures its success based on the following Key Result Areas:

- **Engage fund executives:** The extent to which the Association maintains high levels of engagement with fund executives in the Australian superannuation industry. This is measured by attendance at FEAL conferences, lunches and events and the number of applicants for scholarship and award programs.
- **Masters in Organisational Leadership:** The extent to which the Association has built industry recognition and awareness of the FEAL Masters in Organisational Leadership delivered in partnership with Melbourne Business School. This is measured by attendance and new enrolments in the program.
- **Engage superannuation fund CEOs:** The extent to which the Association supports superannuation fund senior executives. This is measured by the direct involvement of senior executives in FEAL programs and the extent to which the member fund CEOs encourage and endorse staff participation in FEAL programs and initiatives.
- **Corporate membership:** The extent to which the Association attracts corporate members as a means of maintaining its reach to fund executives. This is measured by the retention and recruitment of new corporate members whilst taking into consideration fund mergers and industry consolidation that is occurring.
- **Respond to members' needs:** The extent to which the Association is able to develop new initiatives and adapt existing programs to respond to the changing needs of our membership.

5. Principal activities

The principal activity of the Association during the course of the financial year was to assist in the professional development of fund executives through a variety of programs including business events, scholarships and customised executive education programs.

There were no significant changes in the nature of the activities of the Association during the year.

6. Review of operations and performance measurements

The loss after tax of the Association for the year ended 30 June 2022 was \$90,499 (2021: \$247,937) due to the delay of a number of programs and sponsorship revenue being carried forward into the next financial year.

Review of operations

The Association's rate of growth was impacted by the coronavirus pandemic ("COVID-19") with a number of events delayed into the next financial year.

Total members' funds have decreased to \$144,966 as at 30 June 2022 (2021: \$235,465).

Performance measurements

The Association continues to measure its performance based on the retention and engagement of members and the extent to which members participate and benefit from the Association's programs and activities. Corporate membership has decreased due to a decline in the number funds as a result of fund consolidation. The Association's Executive Education Program, delivered in partnership with Melbourne Business School, continues to retain and attract new students.

Likely developments

The Association is well placed to re-establish normal trading following the re-opening of the economy. Further information about the likely developments in the operations of the Association and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Association.

7. Association particulars

Fund Executives Association Limited is incorporated in Australia. The address of the registered office is Suite 319, 160 Castlereagh Street, Sydney NSW 2000.

8. Members' liabilities

The Association is a company limited by guarantee. In the event of a winding up of the Association, each member undertakes to contribute an amount not exceeding \$1 to the Association to pay outstanding liabilities and the costs of winding up. (Article 16.1 of the constitution was amended at the 2019 AGM and the amount reduced from \$100 per member to \$1 per member). The amendment was made due to the strong financial position of the Association at that time.

The number of members as at 30 June 2022 was 873 (2021: 935) of which 850 members are drawn from 22 corporate member organisations, 18 are registered as individual members with 5 registered as FEAL life members. The total amount that members of the Association are liable to contribute if the Association is wound up is \$873 (2021: \$935).

9. Indemnification of officers and auditors

The Association has paid an insurance premium in respect of officers' liability and legal expenses.

The insurance premium paid provides indemnity against potential costs and expenses which may be incurred by the relevant officers in defending proceedings, whether civil or criminal, and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

No details are disclosed of the nature of the liabilities covered or the amount of the premiums paid in respect of the officers' liability and legal expenses, and insurance contracts; as such disclosure is prohibited under the terms of such contracts.

10. Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 9 and forms part of the Directors' report for financial year ended 30 June 2022.

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



Brian Delaney
Chair

Signed at Sydney this 18th day of October 2022.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of the Fund Executives Association Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Fund Executives Association Limited for the financial year ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Andrew Reeves
Partner

Sydney
18 October 2022

Fund Executives Association Limited

*Statement of Comprehensive Income
For the year ended 30 June 2022*

	Note	2022 \$	2021 \$
Income	4	804,372	590,273
Total revenue		804,372	590,273
Marketing expenses		(180,199)	(161,841)
Administration expenses		(152,854)	(88,665)
Personnel expenses	5	(531,351)	(523,169)
Lease expense		(26,927)	(16,300)
Other expenses		(22,955)	(20,910)
Total expenses		(914,286)	(810,885)
Surplus/(deficit) before finance costs		(109,914)	(220,611)
Interest income		1,807	2,211
Interest expense		-	(143)
Surplus/(deficit) before income tax		(108,107)	(218,544)
Income tax benefit/(expense)	6	17,608	(29,393)
Surplus/(deficit) after income tax for the year		(90,499)	(247,937)
Other comprehensive income		-	-
Total comprehensive income for the year		(90,499)	(247,937)

The notes on pages 14 to 26 are an integral part of these financial statements.

Fund Executives Association Limited

**Statement of Financial Position
As at 30 June 2022**

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	7	476,888	519,034
Investments – Term Deposits		100,375	100,000
Other receivables		811	7
Current tax receivable		-	2,569
Prepayments		67,349	53,112
Total current assets		645,423	674,722
Deferred tax assets	8	124,603	106,995
Property plant and equipment	9	2,379	3,119
Total non-current assets		126,982	110,114
Total assets		772,405	784,837
Liabilities			
Payables	10	42,067	42,281
Employee benefits	11	126,519	47,201
Unearned income		423,853	394,491
Provision for awards expenses		35,000	10,000
Total current liabilities		627,439	493,972
Employee benefits	11	-	55,399
Lease Liability		-	-
Total non-current liabilities		-	55,399
Total liabilities		627,439	549,371
Net assets		144,966	235,465
Members' funds			
Retained surplus		144,966	235,465
Total members' funds		144,966	235,465

The notes on pages 14 to 26 are an integral part of these financial statements.

Fund Executives Association Limited

*Statement of Changes in Members' Funds
For the year ended 30 June 2022*

	Retained Surplus \$
Balance at 1 July 2020	483,402
Deficit for the year	(247,937)
Other comprehensive income	-
Total comprehensive income for the year	(247,937)
Balance at 30 June 2021	235,465
Balance at 1 July 2021	235,465
Deficit for the year	(90,499)
Other comprehensive income	-
Total comprehensive income for the year	(90,499)
Balance at 30 June 2022	144,966

The notes on pages 14 to 26 are an integral part of these financial statements.

Fund Executives Association Limited

**Statement of Cash Flows
For the year ended 30 June 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts from members and sponsors		804,372	590,273
Cash payments to suppliers and employees		(850,519)	(768,072)
Income tax (paid)/received		2,569	(2,569)
Net cash from/(used in) operating activities	7	(43,578)	(180,368)
Cash flows from investing activities			
Purchase of investments		(100,375)	(100,000)
Proceeds from investments		100,000	
Interest received		1,807	2,211
Net cash from investing activities		1,432	(97,789)
Cash flows from financing activities			
Payment of lease liabilities		-	(10,525)
Net cash from financing activities		-	(10,525)
Net increase in cash and cash equivalents		(42,146)	(288,682)
Cash and cash equivalents at beginning of the financial year		519,034	807,716
Cash and cash equivalents at end of the financial year	7	476,888	519,034

The notes on pages 14 to 26 are an integral part of these financial statements.

1. Reporting entity

The financial statements for the Fund Executives Association Limited ("the Association") as an individual entity. The Association is a company domiciled in Australia. The Association's registered office is Suite 319, 160 Castlereagh Street, Sydney NSW 2000.

The Association is a not-for-profit entity and is primarily involved in the professional development of superannuation fund executives delivered through a variety of initiatives, including a national conference, a fund executive forum, scholarships, award programs and other industry research publications.

The Association is a public company limited by guarantee. In the event of winding up the Association, each member undertakes to contribute an amount not exceeding \$1 to the Association to pay outstanding liabilities and the costs of winding up. The number of members as at 30 June 2022 was 873 (2021: 935).

2. Basis of preparation

(a) Statement of compliance

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

The Company has adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities on 1 July 2021 which resulted in a change in the level of disclosures. The change has no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Company.

The financial statements were approved by the Board of Directors on 18 October 2022.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Association's functional currency. All financial information presented in Australian dollars has been rounded to the nearest dollar amount unless stated otherwise.

(d) Use of estimates and judgements

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. Significant accounting policies

(a) Financial instruments

The Association initially recognises loans, receivables and deposits on the date that they are originated.

The Association derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Association is recognised as a separate asset or liability.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

Financial liabilities are recognised initially on the date at which the Association becomes a party to the contractual provisions of the instrument. The Association derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

3. Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Association, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The depreciation rates for the current and comparative periods are as follows:

- Plant and equipment 7.5% - 40%
- Furniture and fittings 7.5%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Impairment

Financial assets

At each reporting period, the Association assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that has a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Association recognises loss allowances at an amount equal to lifetime expected credit losses ("ECL") on trade and other receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Lifetime ECLs result from all possible default events over the expected life of the trade receivables and are a probability-weighted estimate of credit losses. Credit losses are

3. Significant accounting policies (continued)

(c) Impairment (continued)

measured as the difference between cash flows due to the Association in accordance with the contract and the cash flows that the Association expects to receive.

The Association analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime ECL, including forecasts of interest rates and inflation, as well as the financial stress of counterparties and their ability to operate as a going concern. Debts that are known to be uncollectable are written off when identified.

Non-financial assets

The carrying amounts of the Association's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets the "cash-generating unit" or "CGU".

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Employee benefits

Superannuation contributions

Superannuation contributions are paid on behalf of employees to their chosen superannuation fund in accordance with the prevailing Superannuation Guarantee rate. Superannuation contributions are recognised as an expense in the Statement of Comprehensive Income as part of Personnel expenses.

3. Significant accounting policies (continued)

(d) Employee benefits (continued)

Other long-term employee benefits

The Association's net obligation in respect of long-term employee benefits, other than defined contribution plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government securities that have maturity dates approximating the terms of the Association's obligations.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(e) Revenue

Membership, sponsorship and event income

Membership, sponsorship and event income are recognised on an accrual basis. Where sponsorship or event income is received prior to year end and relates to the following year, it is treated as unearned income and brought to account as income in the following year.

(f) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(g) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but

they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. Significant accounting policies (continued)

(g) Income tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Leases

Leased Right Of Use (ROU) assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

FEAL leases office space in Sydney; the current lease commenced on 15th December 2021 for 12 months.

(j) Provision for Awards Expense

The provision for awards expense represents the annual award for the Fund Executive of the year and is recognised in the year to which the award relates. The Provision has had an additional amount added in the year of \$25,000.

(k) Reclassification of financial information

Where necessary, comparative information has been reclassified to achieve consistency with current period disclosures.

Fund Executives Association Limited

**Notes to the Financial Statements
For the year ended 30 June 2022**

	2022	2021
	\$	\$
4. Income		
Membership income	152,205	169,575
Event income	423,403	39,585
Sponsorship income	206,181	264,818
Government Support Payments	22,500	116,150
Miscellaneous income	83	145
	804,372	590,273
5. Personnel expenses		
Wages and salaries	407,697	400,612
Bonuses	47,677	47,535
(Decrease)/increase in liability for annual leave	15,775	15,351
(Decrease)/increase in liability for long service leave	8,144	7,229
Superannuation contributions	40,735	38,058
Other associated personnel expenses	4,752	14,002
Director reimbursements	6,571	382
	531,351	523,169
6. Income tax		
Current tax expense		
Current period	-	-
Prior period adjustment	-	29,000
	-	29,000
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(17,608)	393
	(17,608)	393
Total income tax (benefit)/expense	(17,608)	29,393

Notes to the Financial Statements
For the year ended 30 June 2022

	2022	2021
	\$	\$
6. Income tax (continued)		
Numerical reconciliation between tax expense and pre-tax accounting profit		
Association's pre-tax (loss)/income	(108,107)	(218,544)
Income tax (benefit)/expense using the Association's statutory rate 25.0% (2021: 26.0%)	(27,027)	(56,821)
Non assessable mutual income	(53,537)	(50,392)
Non-deductible expenses	57,957	65,199
Under/(over) provision in prior year	4,115	29,000
Non assessable Income	(5,625)	(13,000)
Non assessable expenses	948	914
Tax losses not recognised	5,561	54,100
	(17,608)	29,000
7. Cash and cash equivalents		
Bank balances	476,688	518,834
Cash on hand	200	200
Call deposits (maturing within 3 months)	-	-
	476,888	519,034
Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Net profit after tax	(90,499)	(247,937)
Adjustments for		
Depreciation expense	740	11,668
Finance income	(1,807)	(2,068)
(Increase)/decrease in receivables	(804)	26,028
(Increase)/decrease in prepayments	(14,238)	(6,137)
(Increase)/decrease in current and deferred tax assets	(15,309)	26,824
Increase/(decrease) in payables	(214)	11,298
Increase/(decrease) in employee benefits	23,919	22,581
Increase/(decrease) in unearned income	29,362	(32,625)
Increase/(decrease) in provision for awards expenses	25,000	10,000
Net cash (used in)/from operating activities	(43,578)	(180,368)

Notes to the Financial Statements
For the year ended 30 June 2022

	2022 \$	2021 \$	
8. Deferred tax assets and liabilities			
Recognised deferred tax assets and liabilities are attributable to the following:			
Assets			
Provision for annual leave	62,976	47,201	
Provision for long service leave	63,544	55,399	
Unearned income	326,640	267,698	
Accrued expenses	33,038	10,000	
Superannuation Accrued	12,344	8,782	
	498,542	389,080	
Liabilities			
Interest receivable	130	7	
	130	7	
Net assets subject to tax timing differences	498,412	389,073	
Net deferred tax asset at Association's tax rate 25.0% (2021: 26.0%)	124,603	106,995	
9. Property, plant and equipment			
	Plant and Equipment \$	Furniture and Fittings \$	Right of Use Assets \$
Balance at 1 July 2020	15,385	23,977	31,604
Recognition of Right of Use Assets	-	-	-
Additions	-	-	-
Balance at 30 June 2021	15,385	23,977	31,604
Balance at 1 July 2021	15,385	23,977	31,604
Additions	-	-	-
Balance at 30 June 2022	15,385	23,977	31,604

9. Property, plant and equipment (continued)

	Plant and Equipment \$	Furniture and Fittings \$	Right of Use Assets \$
Depreciation			
Acc. Dep balance at 1 July 2020	12,000	23,110	21,069
Depreciation for the year	740	393	10,535
Acc. Dep balance at 30 June 2021	12,740	23,503	31,604
Acc. Dep balance at 1 July 2021	12,740	23,503	31,604
Depreciation for the year	266	474	-
Acc. Dep balance at 30 June 2022	13,006	23,977	31,604
Carrying amounts			
At 1 July 2020	3,385	867	10,535
At 30 June 2021	2,645	474	-
Carrying amounts			
At 1 July 2021	2,645	474	-
At 30 June 2022	2,379	-	-

Notes to the Financial Statements
For the year ended 30 June 2022

	2022 \$	2021 \$
10. Payables		
GST payable	20,085	24,408
PAYG tax payable	9,639	9,091
Superannuation Payable	12,343	8,782
	<u>42,067</u>	<u>42,281</u>
11. Employee benefits		
<i>Current</i>		
Liability for annual leave	62,976	47,201
Liability for long service leave	63,543	-
	<u>126,519</u>	<u>47,201</u>
<i>Non-current</i>		
Liability for long service leave	-	55,399
	-	<u>55,399</u>

12. Members' funds

The Association is a company limited by guarantee. There is no equity in the form of share capital contributed by the members.

13. Financial instruments and financial risk management

The Association has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

This note presents information about the Association's exposure to both risks, its objectives, policies and processing for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

13. Financial instruments and financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Association's cash and cash equivalents and receivables.

Management manages credit risk by placing cash and bank deposits with financial institutions which are regulated and management does not expect any counterparty to fail to meet its obligations. Management has not established any credit limits due to the nature of the Association's operations. The Association does not have any material credit risk exposure to any single debtor.

The Association's maximum credit exposure at 30 June 2022 was \$577,263 (2021: \$619,041) represented by the Association's exposure to cash and cash equivalents, and receivables.

There are no financial assets that are past due or impaired at 30 June 2022 (2021: NIL).

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due.

The Association's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they come due, both under normal and distressed situations.

At 30 June 2022 and 30 June 2021, all financial liabilities had a maturity of less than six months.

2022	2021
\$	\$

14. Operating leases

Non-cancellable operating lease payable are as follows:

Less than one year	11,382	11,382
Between one and five years	-	-
	11,382	11,382

The Association leases office premises under operating leases. The current lease will expire in the next financial period. Refer Note 3(i).

15. Related parties

The following persons were directors and key management personnel of the Association during the financial year and up to the date of this report unless otherwise stated:

Jane Perry (Chair, resigned 3 May 2022)	Laura Wright
Brian Delaney, (Chair, appointed 3 May 2022)	Ross Piper
Leeanne Turner (resigned 31 March 2022)	Damian Wills
Julie Lander	Joanne Townsend
Paul Watson	Lisa Samuels (appointed 12 April 2022)
	Deanne Stewart (appointed 19 April 2022)
	Joanna Davison

The key management personnel compensation (including remuneration for staff and Independent Chair) comprised the following:

	2022	2021
	\$	\$
Short-term employee benefits	431,210	384,510
Post-employment benefits	63,543	55,399
	494,753	439,909

With the exception of the Independent Chair, FEAL directors serve in an honorary capacity and are not remunerated. There were no other related party transactions during the year.

16. Auditor's remuneration

No audit fees are paid by the Association as KPMG Australia provide their services on an honorary basis. KPMG also provides some taxation services on a pro-bono basis.

17. Subsequent events

There have been no other events subsequent to the balance date which would have a material effect on the Association's financial statements at 30 June 2022.

Directors' declaration

In the opinion of the directors of the Fund Executives Association Limited ('the Association'):

- (a) the Association is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 10 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed at Sydney this 18th day of October 2022 in accordance with a resolution of the directors.



Brian Delaney
Chair



Independent Auditor's Report

To the members of Fund Executive Association Limited

Opinion

We have audited the **Financial Report** of Fund Executive Association Limited (the Association).

In our opinion, the accompanying Financial Report of the Association is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2022
- Statement of comprehensive income, Statement of changes in members' funds, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 are independent of the Association in accordance with 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Fund Executive Association Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards -Simplified Disclosures Framework* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Association's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

KPMG

Andrew Reeves
Partner

Sydney
18 October 2022