

Fund Executives Association Limited

ABN 21 086 016 131

Annual Report

30 June 2023

Fund Executives Association Limited
Annual report as at and for the year ended 30 June 2023

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Directors' report for the year ended 30 June 2023

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 2023 and the auditor's report thereon.

1. Directors

Name and qualifications	Experience and special responsibilities
<p>Brian John Delaney <i>FASFA, FAICD</i> (Appointed 3 May 2022)</p>	<p>Brian is an independent director and the Chair of FEAL. Brian has more than 35 years of funds management experience across Private Equity, Infrastructure, Real Estate and Listed Markets, including 8 years with QIC, in Australia and the US, and 13 years with AMP Capital.</p> <p>Brian is a graduate of the Harvard Business School Executive Education Program and a life member of the Association of Superannuation Funds of Australia (ASFA), as well as a Fellow of ASFA and a fellow of the Australian Institute of Company Directors. Brian also serves as Chair of Armitage Associates and is a Director on the Boards of Trawalla Group, Qualitas (QAL) and Auctus Investment Group (AVC).</p> <p>Brian chairs FEAL's Board and Remuneration Committee.</p>
<p>Christopher Lee Davies <i>Bachelor of Laws, Bachelor of Arts (Economics)</i> (Appointed 25 November 2022)</p>	<p>Chris is the Chief Executive Officer of TelstraSuper, responsible for the strategic direction of the fund and overseeing its operational management to meet the needs of its members.</p> <p>Chris has worked in the financial services industry for over 30 years. He joined TelstraSuper in October 2013, having previously been Executive Manager, Member and Employer Solutions at UniSuper and, prior to that, holding senior roles at BT Financial Group, Commonwealth Bank and Colonial First State. Chris started his career practicing law in national firms, before moving to the financial services sector.</p> <p>Chris was presented with the FEAL Fund Executive of the Year award in 2019.</p> <p>Chris was a member of the FEAL Remuneration Committee during the year to 30 June 2023 and is now a member of the FEAL Finance Committee.</p>

Name and qualifications	Experience and special responsibilities
<p>Stephen Paul Hill <i>Bachelor of Arts (Hons), MAICD, CAHRI</i> (Appointed 28 April 2023)</p>	<p>Steve is Group Executive, People and Workplace at Aware Super, responsible for all areas of Aware Super’s people strategy incorporating organisational development, remuneration and benefits, HR advisory and operations, safety and wellbeing, internal communications and workplace environment.</p> <p>Steve has over 25 years’ HR experience working in senior roles for organisations including PwC, ANZ Banking Group, Commonwealth Bank and Qantas. He joined Aware Super in 2013 following an extensive career in the UK and Asia Pacific region. Steve started his career as an accountant, specialising in the field of corporate recovery.</p> <p>Steve is a member of the FEAL Remuneration Committee.</p>
<p>Gemma Kyle <i>Master of Arts, Bachelor of Economics (first class honours)</i> (Appointed 12 May 2023)</p>	<p>Gemma is Chief Risk Officer at Rest Super responsible for leading a diversified team that includes strategic sourcing, company secretariat, legal, audit, security, risk and compliance.</p> <p>Gemma has worked across multiple industries, including financial services, engineering and government. Prior to joining Rest Super in 2018 Gemma was Head of Management Assurance at Nab Wealth where she worked on the separation of MLC Life Insurance from NAB.</p> <p>Gemma is a member of the FEAL Program Committee.</p>
<p>Julie Hermine Lander <i>B. Bus, FAIST, MAHRI, Grad Diploma in Organisational Leadership, MAICD</i> (Re-appointed 18 November 2020. Resigned 24 November 2022)</p>	<p>Julie served as the CEO of CareSuper between 2002 and 2023. Julie's experience in superannuation developed over 30 years with corporate and industry superannuation funds. She is a Director of AIST and Chair of the Policy Committee of AIST.</p> <p>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>Julie was a member of the FEAL Remuneration Committee.</p>

Name and qualifications	Experience and special responsibilities
<p>Ross Howard Piper <i>BSc, Grad Dip of Education, MBA, GAICD</i></p> <p>(First appointed August 2019 and re-appointed 24 November 2021. Resigned 1 May 2023)</p>	<p>Ross is the Chief Executive, Superannuation at Australian Ethical, following the transfer of Christian Super (of which he was CEO) into Australian Ethical in November 2022. Ross has over 25 years of leadership and management experience in corporate and non-profit contexts.</p> <p>Prior to Ross' appointment as Christian Super CEO in 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>Belinda Mary Ray <i>Bachelor of Business (Accounting & Information Systems) Chartered Accountant RG146 (Superannuation and Insurance) Graduate Diploma in Organisational Leadership</i></p> <p>(Appointed 25 November 2022)</p>	<p>Belinda is Chief Audit Executive at AustralianSuper, responsible for implementation of the global internal audit plan.</p> <p>She has over 27 years' experience in the financial services industry including auditing, accounting, risk management, consulting, governance, compliance and company secretarial.</p> <p>Before joining AustralianSuper in 2022, Belinda was the Chief Risk Officer and Company Secretary at CareSuper and has held senior roles at Towers Watson and Ernst & Young.</p> <p>Belinda is a member of the FEAL Finance Committee which she joined on 15th July 2021.</p>
<p>Lisa Marie Samuels <i>B App Econ, Grad Dip Marketing, Masters of Organisational Leadership, GAICD</i></p> <p>(Appointed 12 April 2022)</p>	<p>Lisa is Chief Experience Officer at HESTA responsible for strategy, brand, marketing, customer and employee experience, insights and people and culture. Lisa has over twenty years' experience in financial services.</p> <p>Prior to joining HESTA in 2015, Lisa was the Manager, Marketing and Strategy for NGS Super for 10 years and a Business Development Manager at Hostplus for 4 years.</p> <p>Lisa is a member of the FEAL Program Committee.</p>

Name and qualifications	Experience and special responsibilities
<p>Deanne Rae Stewart <i>BCom, MBA</i> (Appointed 19 April 2022. Resigned 19 April 2023)</p>	<p>Deanne has served as CEO of Aware Super since October 2018, and is also a Director of ASFA and Redkite. She has more than 25 years' leadership experience in financial services in superannuation, wealth and insurance sectors in Australia and internationally.</p> <p>Before joining Aware Super, Deanne was Chief Executive Officer of MetLife Australia and, prior to this, held senior roles within BT Financial Group including as General Manager for Superannuation, Marketing and Direct Channels.</p> <p>Internationally Deanne served as Managing Director with Merrill Lynch Investment management in New York, and as an Engagement Manager with McKinsey and Company in London.</p> <p>Deanne was presented with the FEAL Fund Executive of the Year award in 2021.</p> <p>Deanne was a member of the FEAL Remuneration Committee.</p>
<p>Joanne Townsend <i>BMath Fin, CIMA</i> (Appointed 1 July 2021. Resigned 29 September 2023)</p>	<p>Jo is the CEO of Funds SA, responsible for the day-to-day management of the corporation. Jo has worked in financial services for more than 25 years across both the public and private sectors.</p> <p>Before joining Funds SA in 2015 Jo held senior executive roles at REST 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.</p> <p>Jo was the Chair of the FEAL Finance Committee during the year to 30 June 2023.</p>

Name and qualifications	Experience and special responsibilities
<p>Paul Dean Watson <i>Diploma Financial Planning, Diploma SM, PLD (HBS), FASFA, FAIST</i> (Director from 2006 to 2011. Re-appointed as a Director in April 2016 and re-appointed 24 November 2021)</p>	<p>Paul is Group Executive, Member Experience at Hostplus, responsible for the achievement of high-quality experiences and outcomes for Hostplus' members, employers and stakeholders. He is also a member of the ASFA Superannuation System Design Policy Council and its Fund Advisory Panel.</p> <p>Paul has worked in financial services for more than 25 years. Before joining Hostplus in 2011, Paul was CEO of Military Super, and prior to that held Deputy CEO roles with MTAA and ARIA (now CSC). Paul started his career in the Australian Public Service in which he held a number of senior officer roles in central agencies.</p> <p>Paul was presented with the FEAL Fund Executive of the Year award in 2006.</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, responsible for the oversight of all aspects of its operations. He has worked in the superannuation and pension funds industry, both domestically and internationally, for the past 30 years.</p> <p>Damian has held senior management and executive roles with a variety of organisations, most recently at BUSSQ, where he was the Chief Operating Officer from 2016 before being appointed as the CEO in January 2021. Damian has deep experience in operational management, administration and IT platforms within the superannuation and financial services industries, with expertise in strategic planning, marketing and finance.</p>
<p>Laura Ann Wright <i>BA, Dip Lib, Dip Ed</i> (Appointed 10 August 2020. Resigned 17 August 2022)</p>	<p>Laura was CEO of NGS Super from 2018 to 2022 and was involved in the superannuation industry for over 30 years.</p> <p>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, before becoming CEO in 2018.</p> <p>Laura was a member of the FEAL Remuneration Committee.</p>

2. Company Secretary

Joanna Davison was appointed as FEAL CEO and Company Secretary on 28 November 2013 and retired effective 31 December 2022.

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 Chair of the Aminata Maternal Foundation and a member of the CJO Investment Committee.

During Joanna's time as CEO, FEAL has made a significant contribution to the superannuation industry.

Katrina Bacon was appointed as FEAL CEO and Company Secretary, to replace Joanna, effective from 1 January 2023.

Prior to joining FEAL Katrina was a Director in KPMG's Superannuation Advisory practice providing consulting advice and assistance across the superannuation industry. Katrina worked in KPMG's Superannuation Advisory practice for 21 years, prior to which she was an actuarial consultant with Towers Perrin (now Russell Investments) for 5 years. Katrina started her career in the UK as a student actuary working for Lane, Clark & Peacock.

Katrina has a Masters of Engineering Science from Oxford University and is a Fellow of the UK and Australian Institutes of Actuaries. She is President of the Kuringai Youth Orchestra and a member of the Business Leaders Engagement Committee of Australia for UNHCR.

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
Brian Delaney	6	6
Julie Lander	3	3
Deanne Stewart	5	4
Paul Watson	6	6
Laura Wright	3	2
Lisa Samuels	6	5
Ross Piper	5	4

Director	No. of meetings eligible to attend	No. of meetings attended
Joanne Townsend	6	5
Damian Wills	6	6
Belinda Ray	3	3
Chris Davies	3	3
Gemma Kyle	0	0
Steve Hill	1	1

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 and emerging leaders working in superannuation, and a mentoring program that supports senior management develop their career goals.

The Association's long-term objective is to empower world class leaders of not-for-profit superannuation funds by providing leading professional development and education, as well as deep connection opportunities. 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 and the curation of events, with the support of an expansion of FEAL's partnerships, to provide a program of events which meets the needs of the different executive and leadership cohorts in the industry.

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

- **Engaging fund executives:** The extent to which the Association maintains high levels of engagement with fund executives and leaders 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 and Emerging Leaders program:** The extent to which the Association has built industry recognition and awareness of the FEAL Masters in Organisational Leadership and Emerging Leaders program delivered in partnership with

Melbourne Business School. This is measured by attendance and new enrolments in the programs.

- **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 endorses 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 profit after tax of the Association for the year ended 30 June 2023 was \$10,776 (2022: Loss \$90,499) made up of a before tax profit of \$59,370 and an income tax expense of \$48,594 attributable to the reduction in the Deferred Tax Asset over the year.

Review of operations

The Association's activities are in the process of recovering from the coronavirus pandemic ("COVID-19") which led to losses over the prior three financial years.

Total members' funds have increased to \$155,742 as at 30 June 2023 (2022: \$144,966) and, excluding the Deferred Tax Asset, to \$79,733 as at 30 June 2023 (2022: \$20,363).

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. Despite fund consolidation corporate membership has remained stable. 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. During the year the Association terminated its lease of office space in Sydney and the address of the registered office is now c/o KPMG, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, 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.

The number of members as at 30 June 2023 was 934 (2022: 873) of which 918 members are drawn from 24 corporate member organisations, 10 are registered as individual members with 6 registered as FEAL life members. The total amount that members of the Association are liable to contribute if the Association is wound up is \$934 (2022: \$873).

9. Indemnification of officers and auditors

The Association has agreed to indemnify its directors, against all liabilities to another person (other than the Association or a related body corporate) that may arise from their position as directors of the Association, except where the liability arises out of conduct involving lack of good faith. The Association has not indemnified its auditors.

10. Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 11 and forms part of the Directors' report for financial year ended 30 June 2023.

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



Brian Delaney
Chair

Signed at Sydney this 17th day of October 2023.



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 2023 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.

A handwritten signature of the KPMG firm, written in black ink.

KPMG

A handwritten signature of Andrew Reeves, written in black ink.

Andrew Reeves
Partner

Sydney
17 October 2023

Fund Executives Association Limited

*Statement of Comprehensive Income
For the year ended 30 June 2023*

	Note	2023 \$	2022 \$
Income	4	893,247	804,372
Total revenue		893,247	804,372
Marketing expenses		(170,466)	(180,199)
Administration expenses		(195,033)	(152,854)
Personnel expenses	5	(462,423)	(531,351)
Lease expense		(2,209)	(26,927)
Other expenses		(10,087)	(22,955)
Total expenses		(840,218)	(914,286)
Surplus/(deficit) before finance costs		53,029	(109,914)
Interest income		6,341	1,807
Surplus/(deficit) before income tax		59,370	(108,107)
Income tax benefit/(expense)	6	(48,594)	17,608
Surplus/(deficit) after income tax for the year		10,776	(90,499)
Other comprehensive income		-	-
Total comprehensive income for the year		10,776	(90,499)

The notes on pages 16 to 28 are an integral part of these financial statements.

Fund Executives Association Limited

**Statement of Financial Position
As at 30 June 2023**

	Note	2023 \$	2022 \$
Assets			
Cash and cash equivalents	7	268,005	476,888
Investments – Term Deposits		250,000	100,375
Other receivables		3,645	811
Prepayments		32,010	67,349
Total current assets		553,660	645,423
Deferred tax assets	8	76,009	124,603
Property plant and equipment	9	3,450	2,379
Total non-current assets		79,459	126,982
Total assets		633,119	772,405
Liabilities			
Payables	10	35,078	42,067
Employee benefits	11	36,445	126,519
Unearned income		345,854	423,853
Provision for awards expenses		60,000	35,000
Total current liabilities		477,377	627,439
Employee benefits	11	-	-
Total non-current liabilities		-	-
Total liabilities		477,377	627,439
Net assets		155,742	144,966
Members' funds			
Retained surplus		155,742	144,966
Total members' funds		155,742	144,966

The notes on pages 16 to 28 are an integral part of these financial statements.

Fund Executives Association Limited

*Statement of Changes in Members' Funds
For the year ended 30 June 2023*

	Retained Surplus \$
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
Balance at 1 July 2022	144,966
Surplus for the year	10,776
Other comprehensive income	-
Total comprehensive income for the year	10,776
Balance at 30 June 2023	155,742

The notes on pages 16 to 28 are an integral part of these financial statements.

Fund Executives Association Limited

**Statement of Cash Flows
For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Cash receipts from members and sponsors		893,247	804,372
Cash payments to suppliers and employees		(956,397)	(850,519)
Income tax (paid)/received		-	2,569
Net cash from/(used in) operating activities	7	(63,150)	(43,578)
Cash flows from investing activities			
Purchase of investments		(250,000)	(100,375)
Proceeds from investments		100,375	100,000
Purchase of plant & equipment		(2,449)	-
Interest received		6,341	1,807
Net cash from investing activities		(145,733)	1,432
Cash flows from financing activities			
Payment of lease liabilities		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		(208,883)	(42,146)
Cash and cash equivalents at beginning of the financial year		476,888	519,034
Cash and cash equivalents at end of the financial year	7	268,005	476,888

The notes on pages 16 to 28 are an integral part of these financial statements.

1. Reporting entity

The financial statements for the Fund Executives Association Limited ("the Association") have been prepared as an individual entity. The Association is a company domiciled in Australia. The Association's registered office is KPMG, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, 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 2023 was 934. (2022: 873).

2. Basis of preparation

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The Association has adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The financial statements were approved by the Board of Directors on 17 October 2023.

(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.

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.

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.

3. Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

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 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.

3. Significant accounting policies (continued)

(c) Impairment (continued)

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 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating units exceed 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.

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.

3. Significant accounting policies (continued)

(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.

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.

3. Significant accounting policies (continued)

(i) Leases (continued)

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 leased office space in Sydney up until 14th December 2022.

(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 2023**

	2023	2022
	\$	\$
4. Income		
Membership income	170,955	152,205
Event income	572,767	423,403
Sponsorship income	148,000	206,181
Government Support Payments	-	22,500
Miscellaneous income	1,525	83
	893,247	804,372
5. Personnel expenses		
Wages and salaries	412,543	407,697
Bonuses	-	47,677
(Decrease)/increase in liability for annual leave	7,323	15,775
(Decrease)/increase in liability for long service leave	(2,416)	8,144
Superannuation contributions	43,318	40,735
Other associated personnel expenses	-	4,752
Director reimbursements	1,655	6,571
	462,423	531,351
6. Income tax		
Current tax expense		
Current period	-	-
Prior period adjustment	-	-
	-	-
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	48,594	(17,608)
	48,594	(17,608)
Total income tax (benefit)/expense	48,594	(17,608)

Notes to the Financial Statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
6. Income tax (continued)		
Numerical reconciliation between tax expense and pre-tax accounting profit		
Association's pre-tax (loss)/income	59,370	(108,107)
Income tax (benefit)/expense using the Association's statutory rate 25.0% (2022: 25.0%)	14,843	(27,027)
Non assessable mutual income	(62,307)	(53,537)
Non-deductible expenses	73,695	57,957
Under/(over) provision in prior year	818	4,115
Non assessable Income	-	(5,625)
Non assessable expenses	1,001	948
Tax losses not recognised	20,544	5,561
	48,594	(17,608)
7. Cash and cash equivalents		
Bank balances	268,005	476,688
Cash on hand	-	200
Call deposits (maturing within 3 months)	-	-
	268,005	476,888
Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Net profit after tax	10,776	(90,499)
Adjustments for		
Depreciation expense	1,378	740
Finance income	(6,341)	(1,807)
(Increase)/decrease in receivables	(2,834)	(804)
(Increase)/decrease in prepayments	35,339	(14,238)
(Increase)/decrease in current and deferred tax assets	48,594	(15,309)
Increase/(decrease) in payables	(6,989)	(214)
Increase/(decrease) in employee benefits	(90,074)	23,919
Increase/(decrease) in unearned income	(77,999)	29,362
Increase/(decrease) in provision for awards expenses	25,000	25,000
Net cash (used in)/from operating activities	(63,150)	(43,578)

*Notes to the Financial Statements
For the year ended 30 June 2023*

	2023	2022
	\$	\$
8. Deferred tax assets and liabilities		
Recognised deferred tax assets and liabilities are attributable to the following:		
Assets		
Provision for annual leave	36,444	62,976
Provision for long service leave	-	63,544
Unearned income	204,972	326,640
Accrued expenses	60,000	33,038
Superannuation Accrued	3,265	12,344
	304,681	498,542
Liabilities		
Interest receivable	645	130
	645	130
Net assets subject to tax timing differences	304,036	498,412
Net deferred tax asset at Association's tax rate 25.0% (2022: 25.0%)	76,009	124,603

9. Property, plant and equipment

	Plant and Equipment \$	Furniture and Fittings \$	Right of Use Assets \$
Balance at 1 July 2021	15,385	23,977	31,604
Additions	-	-	-
Balance at 30 June 2022	15,385	23,977	31,604
Balance at 1 July 2022	15,385	23,977	31,604
Additions	2,449	-	-
Balance at 30 June 2023	17,834	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 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
Acc. Dep balance at 1 July 2022	13,006	23,977	31,604
Depreciation for the year	1,378	-	-
Acc. Dep balance at 30 June 2023	14,384	23,977	31,604
Carrying amounts			
At 1 July 2021	2,645	474	-
At 30 June 2022	2,379	-	-
Carrying amounts			
At 1 July 2022	2,379	-	-
At 30 June 2023	3,450	-	-

**Notes to the Financial Statements
For the year ended 30 June 2023**

	2023 \$	2022 \$
10. Payables		
GST payable	22,527	20,085
PAYG tax payable	9,286	9,639
Superannuation Payable	3,265	12,343
	<u>35,078</u>	<u>42,067</u>
11. Employee benefits		
Current		
Liability for annual leave	36,445	62,976
Liability for long service leave	-	63,543
	<u>36,445</u>	<u>126,519</u>
Non-current		
Liability for long service leave	-	-
	<u>-</u>	<u>-</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 2023 was \$518,005 (2022: \$577,263) 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 2023 (2022: 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 2023 and 30 June 2022, all financial liabilities had a maturity of less than six months.

	2023	2022
	\$	\$

14. Operating leases

Non-cancellable operating lease payable are as follows:

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

The Association's lease for office premises expired on 14 December 2022 and was not renewed. 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:

Brian Delaney, (Chair)	Belinda Ray (appointed 25 November 2022)
Laura Wright (resigned 17 August 2022)	Chris Davies (appointed 25 November 2022)
Julie Lander (resigned 22 November 2022)	Steve Hill (appointed 28 April 2023)
Ross Piper (resigned 1 May 2023)	Gemma Kyle (appointed 12 May 2023)
Deanne Stewart (resigned 19 April 2023)	Joanna Davison (resigned 31 December 2022)
Paul Watson	Katrina Bacon (appointed 1 January 2023)
Damian Wills	
Joanne Townsend (resigned 29 September 2023)	
Lisa Samuels	

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

	2023	2022
	\$	\$
Short-term employee benefits	472,559	431,210
Post-employment benefits	-	63,543
	472,559	494,753

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 2023.

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 12 to 28 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 2023 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 17th day of October 2023 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 Company 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 2023 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 2023
- Statement Comprehensive income, Statement of changes in member's funds, and Statement of cash flows for the year then ended 30 June 2023
- 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Fund Executive Association Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.



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.¹

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* 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.

A handwritten version of the KPMG logo in black ink, with the letters 'KPMG' written in a slightly stylized, cursive-like font.

A handwritten signature in black ink, appearing to read 'A. R.' followed by a long horizontal line.

KPMG

Andrew Reeves

Partner

Sydney

17 October 2023