



**Employee Ownership**  
Australia & New Zealand  
Making it your business

# **EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**

## **ANNUAL REPORT**

**2011/2012**

# **STATEMENT ON**

## **EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**

Employee Ownership Australia Limited was formed in on 26 July 2011 as an Australian Public Company, Limited by Guarantee.

EOA's objectives are:

- to be the centre of excellence for companies seeking to implement or support employee share ownership or ESOPs;
- to be the voice on employee share ownership issues in Australia and New Zealand;
- to encourage research into the productivity impacts of employee ownership;
- to encourage government at all levels to develop taxation and other incentives to promote employee ownership; and
- to provide exceptional services to our members.

EOA is managed by a Board comprising of:

(Chair) Angela Perry	Global Head, EPS Business Development, Link Market Services Ltd
(Vice Chair) Elena Kirillova	Chairman, The Australian Employee Buyout Centre Ltd
Alan Greig	Director, Ownership Strategies, The Mercury Centre Cooperative Ltd
Jamie Anderson	CEO, Mastertek Pty Ltd
Peter Somerville	Vice President, ALAEA

Member Services include:

- Regular blogs that help demystify employee share ownership;
- Reduced rates for our extensive training programs;
- Reduced rates for the Annual Conference and Award's night;
- Free access to a network of like-minded people to exchange ideas, experience and practices;
- Access to experienced, specialist advisors for advice on tax, legal, ESOP finance matters and also access to like minded HR specialists, company secretaries, workplace relations professionals and employee representatives;
- To be an active voice in research and policy work that can be used to influence Government and other decision-makers;

- Access to our ESOP specialist accreditation program (currently in development);
- Free information and help line – expert guidance available to assist you with any employee ownership queries that are not of a legal or tax nature;
- Access to our international connections.

Further information on Employee Ownership Australia including how to join as a member is on the website at [www.employeeownership.com.au](http://www.employeeownership.com.au)

## **ACTIVITIES REPORT 2011/12**

The 2011/12 year was an important one for the EOA with the implementation of a number of key initiatives that had been promised as a result of the AEOA strategic review. These included:

- running a number of training workshops on employee ownership throughout the year, including implementing employee ownership in New Zealand for Australian companies, ATO reporting and the John Lewis event with Peter Cox;
- creation of the inaugural annual conference and awards night, with the key note speaker for the event being Sir Stuart Hampson (former Chairman of John Lewis Partnerships);
- growing the membership to include companies with or the desire to have employee owned businesses, our membership in this area has more than doubled in 2012;
- the creation of an experts panel of specialists in this area that can be counted on to provide advice, drive the policy reform and thinking around employee ownership;
- engagement with key politicians interested in employee ownership;
- creation of a new member site that is interactive and provides useful topics for members to download or use, including training materials and videos. The website also is designed to increase public access to information on employee ownership. This activity involved a major expenditure on the part of EOA;
- creation of the EOA branding, new membership structure and new website this also included the creation and implementation of a social media strategy with regular blogs, tweets and a LinkedIn profile;
- the creation of the ambassador role and agreement by Sir Stuart Hampson and Gary Scarrabelotti to be the ambassadors of the group;
- presentation to the South African conference on employee ownership that was attended by leading UK and US experts
- alliances developed with other business organisations, academic institutions and other peak employee ownership organisation who are providing feedback on new research and other initiatives in the area of employee ownership .

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**

**ABN 40 152 310 266**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2012**

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Directors' Report**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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Your directors present their report on the company for the financial year ended 30 June 2012.

**Directors**

The names of each person who has been a director in office during or since the end of the year are:

Ms Angela Jane Perry (Director, Appointed 26 July 2011)  
Mr Jamie Stuart Anderson (Director, Appointed 25 November 2011)  
Mr Alan Howard Greig (Director, Appointed 26 July 2011)  
Ms Elena Kirillova (Director, Appointed 26 July 2011)  
Mr Peter Thomas Harold Somerville (Director, Appointed 26 July 2011)

Directors have been in office since the date of incorporation, 26 July 2011, to the date of this report unless otherwise stated.

**Company Secretary**

The following person held the position of the company secretary at the end of the financial year:  
Ms Carolyn Stewart-Smith. Ms Stewart-Smith was appointed Company Secretary on 15 December 2011.

**Principal Activities**

The principal activity of the company during the financial year was Promotion of Employee Ownership of Business.

**Operating Results**

The profit of the company for the financial year amounted to \$18,837.

**Dividends Paid or Recommended**

The company is a company limited by guarantee and hence is precluded from declaring dividends.

**Review of Operations**

A review of the company operations during the financial year and the results of those operations are as follows;

The company's operations during the year performed as expected in the opinion of the directors.

No significant changes in the company's state of affairs occurred during the financial year.

The principal activities of the company during the financial year were:

Promotion of Employee Ownership of Business

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Directors' Report**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

**Information on Directors**

Mr Jamie Stuart Anderson	Director
Qualifications	Nil
Experience	CEO of Mastertek Pty Ltd, specialist firm providing advice on remuneration, benefits, employee share schemes and equity-based incentive plans. Prior experience within major listed corporations such as Oil Search Limited, Aristocrat Leisure Limited and Westpac Banking Corporation.
Special Responsibilities	Nil
Mr Alan Howard Greig	Director
Qualifications	Bachelor of Arts
Experience	Director since 26 July 2011
Special Responsibilities	Information coordinator and policy development
Ms Elena Kirillova	Director
Qualifications	Master of Jurisprudence (Hons), Bachelor of Laws, Graduate Australian Institute of Company Directors (GAICD)
Experience	Director since 26 July 2011
Special Responsibilities	Deputy Chairman
Ms Angela Jane Perry	Director
Qualifications	UK Barrister, Australian Qualified Solicitor, LLB Law Degree, MAICD, Member of EOA and NCEO. An Accredited Life Coach.
Experience	Director since 26 July 2011
Special Responsibilities	Chairman
Mr Peter Thomas Harold Somerville	Director
Qualifications	BA Dip Law
Experience	Member since 26 July 2011. General Manager, Australian Licenced Aircraft Engineers Association.
Special Responsibilities	Nil

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Directors Report**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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**Meetings of Directors**

During the financial year, 15 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Jamie Stuart Anderson	9	6
Alan Howard Greig	15	15
Elena Kirillova	15	11
Angela Jane Perry	15	15
Peter Thomas Harold Somerville	15	0

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee.  
If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100.00 each towards meeting any outstanding obligations of the entity.

**Indemnifying Officers or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Proceedings on Behalf of the company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2012 has been received.

Signed in accordance with a resolution of the Board of Directors:

Elena Kirillova  
Director

Jamie Stuart Anderson  
Director

Dated this.....day of..... 2012

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD 26 JULY 2011 (DATE OF**  
**INCORPORATION) TO 30 JUNE 2012**

	2012 \$
Book Sales	496
Seminar Fees	1,659
Conference Sponsorship Income	23,000
Conference Fees	21,363
Donation from Australian Employee Ownership Association	31,182
Conference Grant	19,098
Interest Received	206
Accountancy Fees	(1,000)
Advertising Expenses	(1,553)
Bank Charges	(72)
Conference Expenses	(61,506)
Design and Printing Expenses	(2,787)
Insurance	(2,348)
Postage and Shipping	(305)
Website Hosting	(496)
Web Construction and Maintenance	(8,100)
<b>Current year surplus before income tax</b>	18,837
Income tax expense	-
<b>Net current year surplus</b>	18,837
<b>Other comprehensive income for the year</b>	-
<b>Total comprehensive income for the year</b>	18,837
Net current year surplus attributable to members of the entity	18,837
Total comprehensive income attributable to members of the entity	18,837

*The accompanying notes form part of these financial statements.*

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Balance Sheet**  
**As at 30 June 2012**

	Note	2012 \$
<b>Current Assets</b>		
Cash and Cash Equivalents	2	17,569
Trade and Other Receivables	3	2,433
<b>Total Current Assets</b>		<u>20,002</u>
<b>Total Assets</b>		<u>20,002</u>
<b>Current Liabilities</b>		
Trade and Other Payables	4	<u>1,165</u>
<b>Total Current Liabilities</b>		<u>1,165</u>
<b>Total Liabilities</b>		<u>1,165</u>
<b>Net Assets</b> 18,837		<u><u>18,837</u></u>
<b>Equity</b>		
Retained Profits	5	18,837
<b>Total Equity</b>		<u><u>18,837</u></u>

*The accompanying notes form part of these financial statements.*

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Profit and Loss Statement**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

	2012 \$
<b>Income</b>	
Book Sales 496	
Seminar Fees	1,659
Conference Sponsorship Income	23,000
Conference Fees	21,363
Donation from Australian Employee Ownership Association	31,182
Conference Grant	19,098
Interest Received	206
	<u>97,004</u>
<b>Expenditure</b>	
Accountancy Fees	1,000
Advertising 1,553	
Bank Charges	72
Conference Expenses	61,506
Design and Printing	2,787
Insurance 2,348	
Postage and Shipping	305
Website Hosting	496
Web Construction and Maintenance	8,100
	<u>78,167</u>
<b>Profit before Income Tax</b>	<u>18,837</u>
<b>Unappropriated Profit at 30 June 2012</b>	<u><u>18,837</u></u>

*The accompanying notes form part of these financial statements.*

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Notes to the Financial Statements**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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The financial report is for Employee Ownership Australia Limited as incorporated and domiciled in Australia. Employee Ownership Australia Limited is a company limited by guarantee. Limited by guarantee means the liability of the company's members is limited to the amount the members undertake to contribute to the property of the company if it is wound up.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporation Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(b) Revenue and Other Income**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Donations and bequests are recognised as revenue when received.

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Notes to the Financial Statements**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

**(c) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**(d) Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**(e) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Notes to the Financial Statements**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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	2012
	\$
<b>2. Cash and Cash Equivalents</b>	
Cash at Bank - Westpac Business Flexi Acc 698513	17,469
Cash at Bank - Westpac Community Solutions Acc 719302	100
	<u>17,569</u>
<b>3. Trade and Other Receivables</b>	
<b>Current</b>	
Conference Debtors	759
Provision for GST	<u>1,674</u>
	<u>2,433</u>
<b>Total Trade and Other Receivables</b>	<u><u>2,433</u></u>
<b>4. Trade and Other Payables</b>	
<b>Current</b>	
Other Creditors	1,165
<b>Total Trade and Other Payables</b>	<u><u>1,165</u></u>

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Notes to the Financial Statements**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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2012  
\$

**5. Retained Earnings**

Retained Earnings at the Beginning of the Financial Year	-
<b>Add</b>	
Net profit attributable to members of the company	18,837
Retained Earnings at the End of the Financial Year	<u>18,837</u>

**6. Company Details**

**The registered office of the company is:**  
EMPLOYEE OWNERSHIP AUSTRALIA LIMITED  
Suite 1, 660 Tower Road, Bankstown Aerodrome, NSW 2200

**The principal place of business is:**  
EMPLOYEE OWNERSHIP AUSTRALIA LIMITED  
Suite 1, 660 Tower Road, Bankstown Aerodrome, NSW 2200

**The principal activities of the business include:**  
Promotion of Employee Ownership of Business

**7. Members' Guarantee**

The company is limited by Guarantee, and incorporated under the Corporations Act 2001. Every member of the company undertakes to contribute to the assets of the company if it is wound up while the member is a member, or within one year after the member ceases to be a member, for:

- (a). The payment of the debts and liabilities of the company, contracted before the member ceased to be a member;
- (b). The expenses of winding up the company; and
- (c). The adjustment of the rights of the contributories among themselves.

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**  
**Directors Declaration**  
**For the Period 26 July 2011 (Date of Incorporation) to 30 June 2012**

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The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out in the financial report present fairly the company's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Elena Kirillova  
Director

Jamie Stuart Anderson  
Director

Dated this.....day of..... 2012