



Employee Ownership
Australia & New Zealand
Making it your business



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Making it your business

Annual Report Financial Year End 30 June 2015

Directors Report

and An Overview of Our Activities during the Year



Overview of Employee Ownership Australia and New Zealand

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

EOA'S CORE AIMS 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'S POLICY RECOMMENDATIONS

The EOA recommends that public policy should be formulated so as to promote broad based employee share ownership based on the following key objectives:

- to better align the interests of employees and employers so as to promote employee engagement and productivity;
- to enhance national savings;
- to facilitate and encourage the development of small to medium, privately owned enterprises including start-up companies; and
- to facilitate employee buyouts and business succession.

Member Services include:

- Regular blogs that help demystify employee share ownership;
- Reduced rates for our 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 ;
- 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;
- 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



Activities and Business Review

The 2014/15 year was an important one for the EOA with the implementation of a number of key initiatives and consolidation of the organisation's brand name. These included:

- **Our Experts Panel was consolidated** - This panel was set up so we could have well known experts in this area comment on any ESS consultations; help provide insight into what the market is doing; to create research and findings in this area and act as referral service for companies seeking employee ownership experts. They have been very active in the last year and below is a summary of what we have produced for our members:
 - **Key Reform Agenda:** The Experts Panel and EOA were intimately involved in the reform agenda, driving the changes and helping with the implementation of the start-up and option plan changes. Without EOA's involvement these changes would not have happened;
 - **Responding to the ASIC Consultation** - At the start of the year there was a lot of activity around the ESS including the ASIC Consultation Process and the experts panel created a [formal letter response to that process](#) and ensured that the final legislation matched company needs;
 - **Start-ups** - The experts were involved in the Consultation Process that took place around Start-Ups and created [a report that highlighted the key issues for Start-up Companies](#) and the proposed solutions. It also suggested a plan design that could work across all start-up companies and remove complexity;
 - As a result of this work, in June, 2015, the ESS Legislation was passed through Federal Parliament, with 22 MPs speaking in favour of the motion. The debate on the Employee Shares Schemes Bill, 2015, along with an [electronic version of the Act](#). The background to the Bill – as well as some excellent research on employee share ownership in Australia produced by Parliament House staff to inform MPs – can also be seen [here](#).
- **Report released in July, 2014 linking Employee Ownership to Economic Impact** – This [EOA report](#) created by Link and Computershare focused on showing how employee ownership can boost the economy;
- **EOA has been at the forefront of Government Lobbying in Employee Ownership Reform** - In March 2014 EOA was asked by the Hon Tony Smith MP (the chair of this group) to present to the Federal Government's Economics and Finance Committee in Canberra. This was a very timely and useful dialogue to have with a number of supporters in the back bench of the Federal government. [One of the clear requests](#) was to call for a taskforce to be set up to help work with industry to create changes. This meeting started the reform agenda and ultimately led to the changes to the start-up legislation implemented in June, 2015;
- **Our Inner Circle Company Group** - In March, 2014 we set up our Inner Circle Group made up of companies committed to employee ownership. There are two Inner Circle groups, one targeted at private and unlisted companies and one targeted at listed entities. These groups are now driven by



their members with input from EOA and we look forward to continue to work with them in the future.

- **Overseas Connections** - EOA has continued to stay in contact with Graeme Nuttall in the UK and Loren Rodgers in the US. A close relationship has also been developed with the International Association for Financial Participation who participated in our 2015 Conference;
- **Engagement with other peak bodies** - We have been meeting with other peak bodies to find areas of agreement and support, including **Family Business Australia**, **AVCAL** and **StartpAUS**;
- We have also been working with BCCM (Business Council of Co-operatives and Mutuals) on their **Public Sector Mutuals Taskforce**;
- Given our role in encouraging and assisting employee ownership as a form of member-owned firm, EOA made a submission in June, 2015 to the **“Senate Enquiry into cooperatives, mutuals and member owned firms”**. The report of this Enquiry will be delivered in November, 2015.
- **Training and events** - We undertook the following training and events throughout the year – and through the Social Enterprise Legal Models Working Group (which is hosted by EOA), a webinar on – and launch of - the **Social Enterprise Legal Models Comparison Matrix**.
- **Annual Conference** - We had our 5th annual conference this year, which was a huge success. The conference is the largest of its kind in Australia and attracts professionals from across the business world. You can find out more about the conference and 2015 ESOP of the Year Awards on [our website](#);
- **Media Strategy** - Work commenced as part of the 2015 Conference on developing a social media and communications strategy, with the prime focus of developing good stories on employee ownerships and celebrating their success.
- **Company Research** - Planning was undertaken and discussions commenced on generating a formal research project aimed at linking business performance and productivity with employee share ownership in Australian businesses; and
- **Member site creation** - We now have a fully functional website that allows members to access key papers and information [online](#). The EOA web-site receives an average of 1200 visitors per month, with 80% being from Australia.



Directors

The names of the directors as at 30 June 2015 are set out below. Current directors together with their biographical details and other information are shown in the [Board of Directors](#) page.

CHAIR - Angela J Perry, LLB, MAICD



Angela is a qualified English Barrister and Australian qualified solicitor. She is also the Chair of Employee Ownership Australia and New Zealand. She was a member of the Board for ShareGift Australia and Down Syndrome Victoria until 2013. She was the Global Head, EPS Business Development and the Executive Client Partnership Program of Link Market Services Limited from 2009 until 2014.

She has over 14 years consulting experience in the fields of equity plan design and executive compensation practice. This experience was gained in the Australian, Europe, UK and US markets.

Angela has acted for some of the top Australian and UK public and private companies and large internationals in relation to design, implementation and administration of equity plans and equity like products. In particular, she has advised and implemented global equity plans and short term incentive plans in over 50 countries globally.

In the UK she was part of the HM Revenue & Customs' (formerly the Inland Revenue) consultation process for the New All Employee Share Plan. She has undertaken research for the European commission on the prevalence, reasons for and barriers to employee share plans in Europe. She has worked with the Australian Employee Share Ownership Development Unit in the Department of Employment and Workplace Relations on the getting started kits.

She is passionate about employee ownership and increasing the companies that use it effectively.

Alan Greig



Alan has had a long standing interest in employee and community ownership dating back to the 1970s. He was the Public Officer of the Australian Employee Ownership Association (AEOA) since its inception in 1986 and was its President most recently (2011) while driving the setting up of Employee Ownership Australia Ltd.

Alan is Director, Ownership Strategies at The Mercury Centre Cooperative Ltd, a cooperative development agency and social enterprise that specialises in building collaborative enterprises through consultancy, research, information, advice and training. At the Mercury Centre, Alan's focus is on participation and empowerment structures which encourage broader involvement in the governance of organisations and the widespread ownership of assets – for employees through their workplaces and for citizens through mutuals, co-operatives, community trusts and savings schemes. He is also a Director of Social Business Australia.

Alan worked in the NSW public sector for many years in ageing and disability services, primarily as an adviser to funded community services and not-for-profits.



Matthew Lever



Matt maintains a global perspective gained through work assignments in UK, United States and Australia/New Zealand. His clients include both public and private financial institutions, with most transactions featuring rating agencies and regulatory relationships.

Whilst the financial services sector reform in Australia will continue Matt is focused on more effective regulatory frameworks and better Government relationships.

In dealing with complex financing concepts Matts focus for ESO Australia is to improve the connection for this employee share plans across financial institutions, corporate and market associates. Linking these initiatives to improving productivity and competitiveness is an important as wider benefits of broad equity ownership.

James Marshall



James has a 22-year career with Computershare that enables him to bring a depth of experience to his role as Managing Director of the Computershare Plan Managers business. Before taking on this new role he most recently served as Managing Director of Computershare New Zealand, a role that saw him integrally involved in significant projects for all the company's business lines. James also worked in our US and Canadian offices for several years and is an expert at sharing and implementing best practice throughout the organisation.

James has developed a broad range of skills across the listed entity space and understands the role employee equity plays within a company's strategy. This knowledge ensure Computershare's clients and their employee participants receive an unmatched level of service and support.

Benjamin Morris



Ben is an experienced Compensation and Benefits consultant and HR professional. He is currently Head of Executive Compensation and Global Projects for Lend Lease. He has previously been a consultant with PwC, Deloitte and Hay Group (where he was the Pacific Practice Leader for Executive Reward). Ben's interest in employee ownership has been developed over many years of assisting companies to design and implement employee share schemes.

Ben is a Chartered Accountant, a Solicitor and a Chartered Company Secretary. In addition to his professional experience, Ben is a published author and an experienced lecturer having taught accounting and law subjects at UNSW and UTS (including teaching in the UTS MBA/Masters program).



Phillip Muhlbauer



Phillip is Chief Executive Officer, Global Registry Services & Strategic Partnerships at Link Group, along with being the Chief Executive Officer of Link Super. Phillip is also a director of Link Market Services, Link New Zealand, Link South Africa, Link Intime (India), registrar services (Germany), Australian Administration Services, CMR Direct, Company Matters, Orient Capital, Empirics Data Solutions, Pacific Custodians, as well as being a member of the Risk & Audit Board Committee.

Phillip has almost 30 years' experience in financial markets spanning mergers and acquisitions, credit and trading risk management, asset management, corporate restructuring, product and new business development. In addition, he has traded a wide variety of exchange traded and over the counter products, and is a Practitioner

Member (Master) of Stockbrokers Association of Australia (MSAA) and is the Link Market Services representative on the ASX Forum on Clearing and settlement.

Prior to Phillip's appointment as CEO of Global Registry Services, he was the CEO of Link Market Services for a period of 8 years. During this time, client numbers grew from 185 to over 400 and a full range of end to end value added services were developed for the registry business. Since 2002, Phillip also oversaw the operation and consulting of Link's EPS business including the provision of services to approximately 200 clients, more than 350 plans and over 500,000 participant employers globally. Over this time Phillip successfully completed a significant investment in the EPS technology platform and was actively involved in the consultation process around the change in employee ownership.

Phillip began his career as a graduate trainee with the Commonwealth Bank where he was also a foreign exchange trader. Phillip spent 6 years at UBS Australia Limited where he was Head of Financial Institutions and Treasury Risk Management before moving into the role of Chief of Staff. Prior to joining Link, Phillip spent three years with the Australian Stock Exchange first as a Senior Business Analyst and then as National Manager, Investor Education.

Norah Seddon



Norah is part of PwC's People business which provides an integrated people consulting and solutions services. She has over 20 years' experience with PwC and focuses on the provision of taxation advice to individuals and corporations.

Norah's clients include expatriate individuals, high net worth individuals and multinational companies. As the types of clients that Norah has worked with include individuals and multinational companies, she brings an ability to understand different perspectives and to develop solutions that incorporate these perspectives. As part of PwC's People business, Norah focuses on employer taxation matters in relation to mobility, employee share schemes and expatriate taxation matters.

Norah has been involved in submissions to the Government on many topics including the changes to the Living Away from Home rules in October 2012 and the changes to the non-resident CGT rules in 2013.

Norah is a member of the Institute of Chartered Accountants in Australia and holds a Bachelor of Commerce (Accounting) with Distinction from the University of Western Sydney.



Board Meetings Held

	Board Meetings Held – 12 (eligible to attend)	
	Board meetings attended	Date of Election
Angela Perry	10 (12)	22 November 2012
Alan Greig	11 (12)	22 November 2012
Matthew Lever	8 (10)	24 November 2014
James Marshall	7 (12)	24 November 2014
Benjamin Morris	8 (8)	24 November 2014
Phillip Muhlbauer	7 (10)	24 November 2014
Sally Mulligan	0 (5)	23 November 2013 30 January 2015 Resigned
Karen Quinsey	1 (3)	23 November 2013 21 November 2014 Resigned
Norah Seddon	5 (9)	24 November 2014

Corporate Governance

Whilst the ASX governance guidelines do not fully apply to EOA the Board and management team believes that it is important to comply with those guidelines where it is applicable and appropriate. As a small company limited by guarantee according to ASIC guidelines, it is not necessary for Employee Ownership Australia Ltd to appoint auditors and undertake an annual financial audit.

Indemnities and Insurance

The Constitution of the Company provide for them to indemnify, to the extent permitted by law, officers of the Company, against liabilities arising from the conduct of the organisation. The directors have been indemnified in accordance with these provisions. No amount has been paid under any of these indemnities during the year.

The organisation has purchased directors' and officers' insurance during the year. In broad terms, the insurance cover indemnifies individual directors' and officers' personal legal liability and legal defence costs for claims arising out of actions taken in connection with the Company.

Governmental Regulations

Employee Ownership Australia and New Zealand Limited operations in Australia and New Zealand are subject to state and federal regulations of general application governing public companies and charities.

Legal Proceedings

EOA is not a defendant in any proceedings.



Creditor payments

It is the Company's policy to agree terms of payments with suppliers when entering into contracts and to meet its obligations accordingly. The Company does not follow any specific published code or standard on payment practice.

At 30 June 2015, there were no purchases outstanding in respect of the Company.

Signed as a correct record:

Angela Perry
CHAIR

Date: 30-Sept-2015

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

Central Accounting & Taxation Advisory

Level 2, 20 Dora Street

Hurstville NSW 2220

Tel: 02 9791 5897 Fax: 02 9791 0554

Liability limited by a scheme approved under
Professional Standards Legislation

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

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EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

DIRECTORS' REPORT

The directors present their report on the company for the financial year ended 30 June 2015.

Information on Directors

The names of each person who has been a director during the year and to the date of this report are:

Ms Angela Jane Perry (Director, Appointed 26 July 2011)
Mr Alan Howard Greig (Director, Appointed 26 July 2011)
Ms Sally Louise Mulligan (Director, Appointed 21 January 2013, Resigned 30 January 2015)
Ms Karen Anne Quinsey (Director, Appointed 19 February 2013, Resigned 21 November 2014)
Mr James Marshall (Director, Appointed 17 July 2014)
Mr Matthew Lever (Director, Appointed 25 August 2014)
Mr Phillip Muhlbauer (Director, Appointed 2 September 2014)
Mr Benjamin Morris (Director, Appointed 24 November 2014)
Ms Norah Seddon (Director, Appointed 24 November 2014)

Directors have been in office since the start of the financial year 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.

Operating Results

The profit of the company after providing for income tax amounted to \$949.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the year.

Principal Activities

The principal activities of the company during the financial year were promotion of Employee Ownership of Business.

No significant changes in the nature of the company's activity occurred during the financial year.

Events After the Reporting Date

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.

Future Developments and Results

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.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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DIRECTORS' REPORT

Dividends paid or recommended

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

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and Insurance of Officers and Auditors

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.

Information on Directors

Mr Alan Howard Greig	Director
Qualifications	Bachelor of Arts
Experience	Director since 26 July 2011
Special Responsibilities	Information coordinator and policy development.
Mr Matthew Lever	Director
Qualifications	Bachelor of Business (Accounting)
Experience	Financial services sales and business development executive.
Special Responsibilities	Nil
Mr James Marshall	Director
Qualifications	Bachelor of Commerce
Experience	Plan manager, employee equity, Investor Services
Special Responsibilities	Nil
Mr Benjamin Morris	Director
Qualifications	CA, CSA, LLB (Hons), B Bus (Accounting)
Experience	Head of Executive Compensation and Global Projects at Lend Lease. Previously been a consultant with PwC, Deloitte, and Hay Group. Chartered Accountant, Solicitor and a Chartered Company Secretary. Specialises in remuneration and governance for executives and directors and has worked with some of Australia's largest companies in designing and implementing remuneration and rewards strategies Experienced lecturer and has taught accounting and law subjects at UNSW and UTS and until recently was a part-time lecturer teaching accounting to Masters and MBA students. Published author of "Accounting for Dollars; Thinking with Sense – Accounting explained in plain English" (published by LexisNexis).

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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DIRECTORS' REPORT

Special Responsibilities	Nil
Mr Phillip Muhlbauer	Director
Qualifications	Bachelor of Commerce (with merit), Practitioner Member of (Master) of Stockbrokers Association of Australia (MSAA), Member of the Australian Institute of Company Directors (MAICD).
Experience	CEO, registry services and strategic partnerships, mergers & acquisitions, credit and trading risk, asset management, corporate restructuring, product and new business development. Employee Ownership Schemes, Share Plan Manager, Equity Programs.
Special Responsibilities	Nil
Ms Sally Louise Mulligan	Director
Qualifications	
Experience	Human Resources, Company Secretary, Employee Ownership Schemes, Share Plan Manager, Equity Programs.
Special Responsibilities	Nil
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
Ms Karen Anne Quinsey	Director
Qualifications	
Experience	Principal PWC, Employee Equity private and listed companies, Taxation, Superannuation.
Special Responsibilities	Nil
Ms Norah Seddon	Director
Qualifications	Bachelor of Commerce (Accounting) with Distinction. Member of the Institute of Chartered Accountants.
Experience	Taxation advice to individuals and corporations relating to global and domestic mobility, employee shares schemes and expatriate matters.
Special Responsibilities	Nil

Meeting of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

Directors Meetings

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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DIRECTORS' REPORT

	Number Eligible to Attend	Number Attended
Alan Howard Greig	12	11
Sally Mulligan	5	0
Angela Jane Perry	12	10
Karen Quinsey	3	1
Norah Seddon	9	5
Matthew Lever	10	8
James Matthew	12	7
Benjamin Morris	8	8
Phillip Muhlbauer	10	7

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.

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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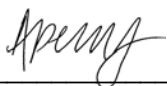
DIRECTORS' REPORT

Proceedings on Behalf of the Company

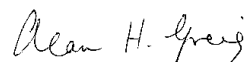
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

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

Director: 

Ms Angela Jane Perry

Director: 

Mr Alan Howard Greig

Dated this 30th day of September 2015

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Income			
Revenue	2	32,308	32,850
Expenditure			
Accountancy expenses		(1,500)	(1,800)
Other expenses		(29,859)	(18,905)
		949	12,145
Profit for the year		949	12,145
Retained earnings at the beginning of the financial year		31,555	19,410
Total comprehensive income for the year		949	12,145

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Central Accounting & Taxation Advisory.

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
INCOME		
Conference Fees	4,986	7,019
Membership Fee	27,305	25,624
	<u>32,291</u>	<u>32,643</u>
OTHER INCOME		
Interest Received	17	23
Other Income	-	184
	<u>17</u>	<u>207</u>
	<u>32,308</u>	<u>32,850</u>
EXPENSES		
Accountancy Fees	1,500	1,800
Bank Charges	126	48
Conference Expenses	7,727	9,003
Filing Fees	-	76
Insurance	2,250	2,550
Membership & Research	2,550	6,091
Newsletter Production	166	-
Postage and Shipping	366	342
PR & Communications	15,286	-
Sundry Expenses	88	-
Travelling Expenses	1,074	93
Website Construction & Maintenance	226	702
	<u>31,359</u>	<u>20,705</u>
Profit before income tax	<u>949</u>	<u>12,145</u>

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EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	38,621	39,735
Trade and other receivables	4	3,327	2,259
TOTAL CURRENT ASSETS		<u>41,948</u>	<u>41,994</u>
TOTAL ASSETS		<u>41,948</u>	<u>41,994</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	5	9,444	10,439
TOTAL CURRENT LIABILITIES		<u>9,444</u>	<u>10,439</u>
TOTAL LIABILITIES		<u>9,444</u>	<u>10,439</u>
NET ASSETS		<u>32,504</u>	<u>31,555</u>
EQUITY			
Retained earnings	6	32,504	31,555
TOTAL EQUITY		<u>32,504</u>	<u>31,555</u>

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EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Retained earnings \$	Total \$
Balance at 1 July 2013		19,410	19,410
Profit attributable to equity shareholders		12,145	12,145
Balance at 30 June 2014		31,555	31,555
Profit attributable to equity shareholders		949	949
Balance at 30 June 2015		32,504	32,504

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
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EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 Statement of Significant Accounting Policies

The financial statements cover Employee Ownership Australia Limited as an individual entity. Employee Ownership Australia Limited is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless stated otherwise.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

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

Goods and Services Tax (GST)

Revenues, 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Rendering of services	32,291	32,643
Other revenue:		
Interest received	17	23
Other revenue	-	184
	<u>17</u>	<u>207</u>
Total revenue	<u>32,308</u>	<u>32,850</u>
Interest revenue from:		
Interest Received	<u>17</u>	<u>23</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>17</u>	<u>23</u>
Other revenue from:		
Other Income	-	184
Total other revenue	<u>-</u>	<u>184</u>
3 Cash and Cash Equivalents		
Cash at Bank - Westpac *513	38,620	39,734
Cash at Bank - Westpac *302	<u>1</u>	<u>1</u>
	<u>38,621</u>	<u>39,735</u>
4 Trade and Other Receivables		
Current		
Input Tax Credits	<u>3,327</u>	<u>2,259</u>

The company does not hold any financial assets with terms have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<hr/>		
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
5 Trade and Other Payables		
Current		
Other Creditors	6,215	6,903
GST Payable	3,229	3,536
	<u>9,444</u>	<u>10,439</u>
6 Retained Earnings		
Retained earnings at the beginning of the financial year	31,555	19,410
Net profit attributable to members of the company	949	12,145
Retained earnings at the end of the financial year	<u>32,504</u>	<u>31,555</u>
7 Company Details		
The registered office of the company is: Employee Ownership Australia Limited Level 2, 20 Dora Street Hurstville NSW 2200		
The principal place of business is: Level 2, 20 Dora Street Hurstville NSW 2200		
The principal activities of the business include: Promotion of Employee Ownership of Business		


EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266

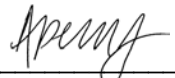
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 12, for the year ended 30 June 2015 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position and performance of the company.
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.

Director: 
Mr Alan Howard Greig

Director: 
Ms Angela Jane Perry

Dated this 30th day of September 2015

**COMPILATION REPORT
TO EMPLOYEE OWNERSHIP AUSTRALIA LIMITED
ABN 40 152 310 266**

We have compiled the accompanying general purpose financial statements of Employee Ownership Australia Limited which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes.

These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

The responsibility of directors

The directors are solely responsible for the information contained in the general purpose financial statements and have determined that the financial reporting framework used is appropriate to meet their needs and for the purpose for which the financial statements were prepared.

Our responsibility

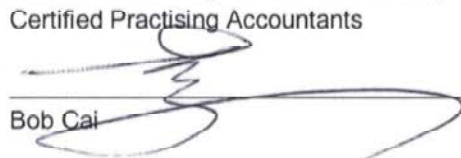
On the basis of the information provided by the directors, we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

Name of Firm: Central Accounting & Taxation Advisory
Certified Practising Accountants

Name of Partner:


Bob Cai

Address: Level 2, 20 Dora Street Hurstville NSW 2220

Dated this

22 day of September 2015