



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

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# Annual Report Financial Year End 30 June 2016

## **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 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; and,
- 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 and Business Review

The 2015/16 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 are as follows.

- **Key Reform Agenda** - The *Tax and Superannuation Laws Amendment (Employee Share Schemes) Act 2015* was implemented and for the start-up regime we saw the completion of standard documents by the [ATO](#). EOA was involved in the process and has had some excellent feedback from members and supporters that this has significantly reduced the cost of set up by \$15,000 or more per Company.
- **Start-up Community** - EOA have had increased engagement with the start-up community and has helped to broaden the knowledge and implementation of the changes that happened at the start of the financial year.
- **Company consultations** – EOA has had a significant increase in the number of enquiries from SMEs and start-ups looking to implement employee ownership, and, has engaged with, and helped, a number of companies in this process.
- **EOA has been at the forefront of Government Lobbying for Employee Ownership Reform** – EOA has been in frequent conversations with politicians around some important tax and Corporations Law changes that are still needed in this space; including, the removal of tax at cessation, a CGT concession for retiring business owners, the potential ability for employee ownership to be rolled over into superannuation and the increase in the \$1,000 limit for employee share schemes.
- **Increased member engagement** – Antony McMullen has been engaged to increase membership engagement, implement processes to streamline membership enrollment and a complete review of the member value proposition is likely to be complete in late 2016.
- **Increase social media presence** – we have focused on creating greater connection and voice in the social media space globally and, for example, this has resulted in an increase of 80% in followers on Twitter in the last 12 months.
- Given our role in encouraging 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 was delivered in November, 2015.
- **Training and events** - We undertook a range of training opportunities and events throughout the year including What Women Want (women and share plans) in August 2016 and Tax Changes Explained in January 2016 as well as Learning from Private Companies about Employee Ownership previous to that. For full details go to our [Training Page](#).
- **The Social Enterprise Legal Models Working Group** - hosted by EOA) launched the Social Enterprise Legal Models Comparison Matrix - which can be found [here](#).



- **Annual Conference** - The EOA 2016 Conference, Award Ceremony and Luncheon, ‘*Sharing the Employee Ownership Future*’ was our best-ever. 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 2016 Awards on [our website](#).
- **Media** - Work commenced as part of the 2016 Conference on developing a social media and communications strategy, with the prime focus of developing good stories on employee ownerships and celebrating their success. Media related to the conference includes:
  - [Ex-Telstra Boss David Thodey champions employee share ownership](#) May 24 2016 | *Australian Financial Review*
  - [Ownership Disruption In the Sharing Economy](#) 18 May 2016 | *Pro Bono Australia*
- **Company Research** – The Employee Ownership Index and its initial findings have been created and [are](#) due to be published in the next couple of months. This work has been a 1 year process.
- **Director Diversity** – we have broaden and increased the number of Directors, with individuals from advisors, providers, companies and experts in the field to help EOA grow and progress.
- **Website** – the web-site has continued to be built, with more technical information, including a new [Start-ups](#) page. The “[Glossary of Terms](#)” page has been rebuilt to update all definitions to the new legislation. It remains one of our most popular pages. Web-site visitor numbers overall continue to grow, with the an average of 1700 people accessing the web-site every month.
- **Academic Research** – EOA has entered into an agreement with QUT to support a specific post graduate research project being undertaken by a member who will be investigating the link between productivity and employee ownership in a selected group of Australian SMEs.



## 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 until 2011 while driving the establishment of the successor organisation 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.

While the financial services sector reform in Australia continues, Matt is focused on more effective regulatory frameworks and better Government relationships. Matt's focus with EOA has been to improve the connection between those who administer employee share plans across financial institutions, corporate and market associates and the organisation. Linking these EOA initiatives to improving productivity and competitiveness is an important part of promoting the 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 General Manager, Performance, Reward & Employee Services at Mirvac. Previous to this he was Head of Executive Compensation and Global Projects for Lend Lease. He has also 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 has global and domestic CEO financial services experience spanning 30 years. Specific areas of focus include corporate restructuring, mergers and acquisitions, credit and treasury risk management, asset management, new product and service development, strategic business development.

Phillip was CEO of Link Markets Services for over 7 years before being Global CEO Link Markets Services Registry for almost 3 years. Phillip remains a Corporate Advisor to Link Group.

Phillip is a Director of Employee Ownership Australia and New Zealand, Director of the LBW Trust (Learning for a Better World charity) a practitioner member (Master) of Stockbrokers Association of Australia and a member of the Australian Institute of Company Directors.

### 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	9 (9)	22 November 2012
Alan Greig	9 (9)	22 November 2012
Matthew Lever	7 (9)	24 November 2014
James Marshall	7 (9)	24 November 2014
Benjamin Morris	9 (9)	24 November 2014
Phillip Muhlbauer	8 (9)	24 November 2014
Norah Seddon	4 (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 2016, there were no purchases outstanding in respect of the Company.

Signed as a correct record:

Angela Perry  
CHAIR

Date: 30-Sept-2016

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**

**FINANCIAL REPORT**  
**FOR THE PERIOD ENDED**  
**30 JUNE 2016**

**Central Accounting & Taxation Advisory**

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Sydney NSW 2000

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**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 period ended 30 June 2016.

**Information on Directors**

The names of each person who has been a director during the period 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)  
Mr James Marshall (Director, Appointed 17 July 2014)  
Mr Matthew Austin Lever (Director, Appointed 25 August 2014)  
Mr Phillip Muhlbauer (Director, Appointed 2 September 2014)  
Mr Benjamin Morris (Director, Appointed 24 November 2014)  
Ms Norah Anne Seddon (Director, Appointed 24 November 2014)

Directors have been in office since the start of the financial period 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 loss of the company after providing for income tax amounted to \$933.

**Significant Changes in the State of Affairs**

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

**Principal Activities**

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

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

**Events After the Reporting Date**

No matters or circumstances have arisen since the end of the financial period 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 periods 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**  
**ABN 40 152 310 266**

**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 period 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	General Manager Performance, Reward and Employee Services at Mirvac. Ben is a Chartered Accountant, Solicitor and a Chartered Company Secretary. Work experience includes Head of performance, Executive Compensation and Global Projects at Lend Lease and consulting experience with PwC, Deloitte, and Hay Group.
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	Global and domestic CEO Financial Services experience spanning 30 years. Specific areas of focus include corporate restructuring, mergers and acquisition, credit and treasury risk management, asset management, new product and service development, strategic business development.
Special Responsibilities	Nil

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**

**DIRECTORS' REPORT**

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 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 share schemes and expatriate matters.
Special Responsibilities	Nil

**Meeting of Directors**

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Alan Howard Greig	9	9
Angela Jane Perry	9	9
Norah Seddon	9	4
Matthew Lever	9	7
James Matthew	9	7
Benjamin Morris	9	9
Phillip Muhlbauer	9	8

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**  
**ABN 40 152 310 266**

**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: Alan H. Greig  
Mr Alan Howard Greig

Director: Angela Jane Perry  
Ms Angela Jane Perry

Dated this 4th day of October 2016

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Income</b>			
Revenue	2	42,284	32,308
<b>Expenditure</b>			
Accountancy expenses		(1,500)	(1,500)
Other expenses		(41,717)	(29,859)
		(933)	949
<b>(Loss) Profit for the period</b>		(933)	949
Retained earnings at the beginning of the financial period		32,504	31,555
<b>Total comprehensive income for the year</b>		(933)	949

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 PERIOD ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>INCOME</b>		
Conference Fees	12,158	4,986
Membership Fee	30,098	27,305
	<u>42,256</u>	<u>32,291</u>
<b>OTHER INCOME</b>		
Interest Received	28	17
	<u>42,284</u>	<u>32,308</u>
<b>EXPENSES</b>		
Accountancy Fees	1,500	1,500
Bank Charges	52	126
Conference Expense	21,560	7,727
Other Conference Expense	1,749	-
Insurance	2,323	2,250
Membership & Research	4,900	2,550
Newsletter Production	196	166
Postage and Shipping	385	366
PR & Communications	8,755	15,286
Sponsorship	615	-
Sundry Expenses	424	88
Travelling Expenses	403	1,074
Website Construction & Maintenance	355	226
	<u>43,217</u>	<u>31,359</u>
<b>(Loss) Profit before income tax</b>	<u>(933)</u>	<u>949</u>

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**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	31,798	38,621
Trade and other receivables	4	3,999	3,327
<b>TOTAL CURRENT ASSETS</b>		<u>35,797</u>	<u>41,948</u>
<b>TOTAL ASSETS</b>		<u>35,797</u>	<u>41,948</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	5	4,226	9,444
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,226</u>	<u>9,444</u>
<b>TOTAL LIABILITIES</b>		<u>4,226</u>	<u>9,444</u>
<b>NET ASSETS</b>		<u>31,571</u>	<u>32,504</u>
<b>EQUITY</b>			
Retained earnings	6	31,571	32,504
<b>TOTAL EQUITY</b>		<u>31,571</u>	<u>32,504</u>

The accompanying notes form part of these financial statements.  
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**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

	Note	Retained earnings \$	Total \$
Balance at 1 July 2014		31,555	31,555
Profit attributable to equity shareholders		949	949
Balance at 30 June 2015		32,504	32,504
Profit attributable to equity shareholders		(933)	(933)
Balance at 30 June 2016		31,571	31,571

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**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

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**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**  
**ABN 40 152 310 266**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

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**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 PERIOD ENDED 30 JUNE 2016**

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**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**  
**ABN 40 152 310 266**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales revenue:		
Rendering of services	42,256	32,291
Other revenue:		
Interest received	28	17
Total revenue	<u>42,284</u>	<u>32,308</u>
<b>Interest revenue from:</b>		
Interest Received	<u>28</u>	<u>17</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>28</u>	<u>17</u>
<b>3 Cash and Cash Equivalents</b>		
Cash at Bank - Westpac *513	31,797	38,620
Cash at Bank - Westpac *302	<u>1</u>	<u>1</u>
	<u>31,798</u>	<u>38,621</u>
<b>4 Trade and Other Receivables</b>		
<b>Current</b>		
Input Tax Credits	<u>3,999</u>	<u>3,327</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.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

These notes should be read in conjunction with the attached compilation report of Central Accounting & Taxation Advisory.

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
**ABN 40 152 310 266**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>5 Trade and Other Payables</b>		
<b>Current</b>		
Other Creditors	-	6,215
GST Payable	4,226	3,229
	<u>4,226</u>	<u>9,444</u>
<b>6 Retained Earnings</b>		
Retained earnings at the beginning of the financial period	32,504	31,555
(Net loss) Net profit attributable to members of the company	(933)	949
Retained earnings at the end of the financial period	<u>31,571</u>	<u>32,504</u>

**7 Company Details**

The registered office of the company is:  
Employee Ownership Australia Limited  
SUITE 105 LEVEL 1, 40-50 CLARENCE STREET, SYDNEY NSW 2000

The principal place of business is:  
SUITE 105 LEVEL 1, 40-50 CLARENCE STREET, SYDNEY NSW 2000

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 period ended 30 June 2016 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: Alan H. Greig  
Mr Alan Howard Greig

Director: Angela Perry  
Ms Angela Jane Perry

Dated this 4th day of October 2016

**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 2016, and the statement of comprehensive income, statement of changes in equity for the period 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:** Suite 105 Level 1, 50 Clarence Street, Sydney NSW 2000

**Dated this**

**day of**

06/10/2016