

# EOA Annual Report Financial Year End 30 June 2018

Directors' Report and an Overview of our Activities during the Year



**Employee Ownership**  
Australia *Making it your business*

# Overview of Employee Ownership Australia

Employee Ownership Australia and New Zealand (ABN 40 152 310 266) (**EOA**) was formed in July 2011 to ensure ongoing advocacy for broad based employee ownership and dynamic workplace participation in Australian and New Zealand companies. It engages with and assists companies that have or aim to implement employee ownership or employee share plans, whilst also being a key advocacy body for broad based employee ownership. EOA is independent and entirely member funded.

EOA is a member-focused, not for profit public company, limited by guarantee. EOA replaced the Australian Employee Ownership Association, which was formed by 20 companies in 1986. EOA is the only independent, dedicated advocacy and education group in this space in Australia and New Zealand.



- EOA Deputy Chair Andrew Clements presenting at the 2018 EOA Annual Conference (Sydney)

## EOA's Core Aims

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

## EOA's Policy Recommendations

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

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



- Attendees at the 2018 EOA Annual Awards Night (Sydney)

## EOA's Member Services

- a. Regular blogs that help demystify employee share ownership.
- b. Reduced rates for our training programs.
- c. Attendance at the Annual Conference and Awards night.
- d. Free access to a network of like-minded people to exchange ideas, experience and practices.
- e. Referral to experienced, specialist advisors for advice on tax, legal, ESOP finance matters.
- f. Access to like-minded HR specialists, company secretaries, workplace relations professionals and employee representatives.
- g. To be an active voice in research and policy work that can be used to influence Government and other decision-makers.
- h. Access to our international connections.

For further information on Employee Ownership Australia, including how to join as a member, visit our website at [www.employeeownership.com.au](http://www.employeeownership.com.au)



- Attendees at the 2018 Business Innovation & Employee Ownership Event (Parliament House Canberra)

# Activities and Business Review

The 2017/2018 year was an important one for 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

EOA continued to engage with companies around the key changes that are needed to influence policy conversations with Government. To understand the needs of its members, late in 2017, EOA conducted a survey of 68 companies across all sectors to determine the biggest issues facing employee ownership in Australia.

Given the recent changes in legislation around employee ownership, EOA was keen to understand if there were any remaining barriers for listed companies to advocate for. The findings were released in our report **"What are the biggest issues facing employee ownership in Australia"**, which was followed up by a well-attended breakfast seminar by members to consider, further develop and rate the priority of the issues.

EOA found that tax at cessation of employment remains the biggest barrier to long term employee ownership, and in a changing and increasingly mobile work force its effect will only continue to increase. Most of this policy development work has been driven by our very active "Experts Panel".



## Start-up Community

EOA has had increased engagement with the start-up community and has helped to broaden the knowledge and implementation of recent start-up focused tax law changes.

This has included launching a video series where successful founders have discussed their employee ownership journeys, as well as number of articles in key journals. The "Experts Panel" has also been working on enhancing the effectiveness of the start-up concession for employee equity arrangements.



## Government Lobbying for EO Reform

EOA has been in frequent conversations with politicians around some important tax and corporations law changes that are still needed in this space.

On 13 February 2018, EOA hosted the Parliamentary Friends of Innovation & Enterprise Event: Business Innovation & Employee Ownership, a forum in Canberra which explored some of the opportunities and challenges around employee ownership in the unlisted environment, including better coordination of tax and corporate regulation and the importance of the provision of employee equity as a means of assisting business succession for baby boomers who are moving to retirement.



## Senate Enquiry into the Future of Work

EOA made a comprehensive submission to this enquiry contending that employee ownership is a significant issue which is critical to the future of work, workplaces and workers in Australia. The EOA Chair and Deputy Chair were called by the Senators to address the EOA submission at the Public Hearing of the Enquiry in Sydney.

Our representatives well put forward the case for increasing attention being given to the benefits of employee ownership to the future workforce.



## Company Consultations

EOA has had a significant increase in the number of enquiries from SMEs and start-ups looking to implement employee equity plans, and has engaged with, and helped, a number of companies in this process, including a new employee owned 'public service mutual' which has commenced in South Australia.







### Member Review

EOA engaged a communications specialist during the year, Max Karklins, to undertake a review which resulted in key changes to EOA's membership categories, including simplification of the fee structure, payments and access to the "members' page".



### Increase Social Media Presence

EOA has continued to create connections and build a greater voice in the social media field globally, including via its Twitter, Facebook and LinkedIn feeds.



### Website

The EOA website remains one of the main outlets for disseminating information on employee ownership in Australia and throughout the world. A new look, easier to read website was developed during the year, with enhanced layout and better access to relevant information and resources for both members and the general public. The website receives upward of 2,000 visitors per month. Work on creating more stories and case study content for the website is underway.



### Media

EOA has contributed to the dialogue around employee ownership and incentives in the media, including an opinion piece published in The Australian, "Simple tax change could help boost employee share ownership". The Australian financial press continues to highlight the importance of employee share ownership and the EOA is seen as a leading voice in this area.



### Director Diversity

EOA has increased the number of its Directors during the year by three, with individuals from companies, advisors, providers, and experts in the field now able to assist and direct our work as part of an effective Board.



### Training & Events

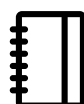
EOA is implementing its on-line training course "Getting Started with Employee Ownership" (free for members but fee paying for the public). The on-line course is a practical guide to understanding and implementing employee ownership in any business.

EOA has also built up significant resources which can be accessed on the home page of its website, with more specialist resources being available through the "Members" section of the website. As it was decided that the EOA Annual Conference would be run in August each year, no Annual Conference was held in 2017/2018.



### Company Research

A new cut of data for the Employee Ownership Index for the 2017/2018 financial year is to be released shortly, with a footnote on companies comprising the Index. Work on gathering further data is also underway. The work on the Index is producing useful links with academia and HR professionals looking into ways of identifying "best share plans" with high adoption rates. Some companies are also keen to use the EOA logo which will assist in branding the Index.



### Research Report

EOA welcomed the research report "The performance and characteristics of Australian firms with Employee Share Schemes" authored by the Office of the Chief Economist and released by the Australian Department of Industry, Innovation and Science during the year.

The study explored the characteristics and performance of Australian firms operating an employee share scheme using Economic Activity Survey data and Australian Tax Office data. Employee share scheme payments grew to just over \$2 billion in 2014–15, accounting for approximately 0.4 per cent of total wages and salaries in Australia.



# Directors

The names of the directors as at 30 June 2018 are set out below. Biographical details and other information for the current directors are shown in the EOA's [Board of Directors](#) page.



## Benjamin Morris (Chair)

Ben is an experienced Compensation and Benefits consultant and HR professional. He is currently Co-Head of HR and General Manager, Performance, Reward & HR Operations at Mirvac, an ASX top 50 company. Previous to this, he was Head of Performance, 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).



## Andrew Clements (Deputy Chair)

Andrew is a Partner in the Melbourne office of King & Wood Mallesons where he specialises in tax with an emphasis on capital gains tax, consolidation, imputation and international tax work.

His practice concentrates on corporate tax, together with the tax consequences of dealing with intellectual property rights and with the taxation treatment of the fund's management industry.

He also has extensive experience in relation to both the tax and legal issues associated with employee share schemes.



## Tom McCarty

Tom McCarty is General Manager of the equity plan division of Link Market Services.

As General Manager, Tom manages employee plans services to Link's 150+ equity plan clients across the full spectrum of the employee share plan lifecycle, including share plan administration, legal and regulatory advice, data metrics, employee engagement and trustee services.

Tom's breadth of registry and employee equity plan knowledge and extensive experience allows him to add significant value to clients in maintaining an effective and efficient employee equity plan.



## Mathew Ronald

Mathew is a Director in People Advisory Services at Ernst & Young. Mathew advises companies on executive remuneration and employee share plans across the full spectrum of employee share plan life-cycle, including consulting, legal and taxation services.

Mathew is a lawyer and equity plan specialist who has spent his career designing and advising on employee equity arrangements. Prior to joining EY, Mathew was General Manager of the equity plan division of Link Market Services and worked as an equity plan lawyer at Linklaters LLP (UK) and Corrs Chambers Westgarth.



## Micaela Costello

Micaela is currently Head of Executive Compensation and Equity at CSL Limited where her responsibilities include the design, development and implementation of the CSL Group executive compensation and equity strategies and programs. Operating in a truly global organisation, Micaela brings a global breadth of knowledge on employee share plans. With a background in performance and rewards, Micaela has over nine years' experience specifically in the design, development, implementation and management of employee equity programs, both at the executive and broad-based employee levels.

Prior to CSL Limited Micaela worked at National Australia Bank where she managed their global employee equity programs.

Micaela holds a Bachelor of Business Studies (Human Resource Management and Communication Management) and a Postgraduate Diploma in Business and Administration (Management Systems) from Massey University, New Zealand.



## 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 EOA.

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.





## James Marshall

James has had a 25 year career with Computershare that enables him to bring a depth of experience from his role as Managing Director of the Computershare Plan Managers to EOA. Before becoming a Director of EOA, 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 Computershare's 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 and support.



## 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, and 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 also a 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.



## Angela Perry

Angela is a qualified English Barrister and Australian qualified solicitor. 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.

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. She is passionate about employee ownership and increasing the companies that use it effectively. Angela is also a member of the Prime Minister's Community and Business Partnership Committee.



## Matthew Lever

Matthew is an Executive Director at the Commonwealth Bank of Australia. Matt maintains a global perspective gained through work assignments in the United Kingdom, 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 EOA 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. Matthew is leading EOA's development of Employee Ownership Index.



## Brett Tollman

Brett has 20 years' experience as a Reward professional. Brett joined Westpac Group as the General Manager, Reward, Performance & Employee Relations HR in July 2017. In his role, Brett is responsible for the development and management of reward, performance and employee relations strategy, policy and risk/governance frameworks across the Group.

Prior to joining Westpac, Brett was the Group Head of Reward & Performance at Woolworths Limited. Prior to that Brett worked in Europe, holding a number of Executive roles across the financial services sector, such as Global Head of Reward at NN Group (formerly ING Insurance & Investment Management) in Amsterdam, Senior Global Reward Manager at HSBC in London, Head of Market Reward at ABN AMRO Bank in both London and Amsterdam and Consultant Analyst for the Arthur Andersen Human Capital Services practice in London.

Brett holds a university degree in Chemistry and Management and a certification from the British Association of Tax Technicians.



## Brett Feltham (Company Secretary)

Brett is a partner in the Sydney office of Gadens, a top 10 Australian law firm. Brett is a Law Society of New South Wales accredited specialist in employment and industrial relations law and had over twenty years' experience in that area.

In addition to having a broad range of experience in relation to employment and workplace relations issues, Brett regularly advises both international and Australian based companies, listed and unlisted, in relation to all aspects of executive remuneration and employee equity and cash incentive arrangements. He also regularly assists clients on complex and strategic employment matters, including C-suite level terminations.

Brett has assisted numerous multinational/household name and over 40 Australian listed companies to introduce new employee incentive arrangements or to vary existing arrangements to ensure not only compliance with Australian securities and employment laws and tax efficient outcomes, but to assist those companies to drive appropriate executive and employee behaviours aligned to the overall business strategy.

## Acknowledgement

EOA would like to acknowledge the contribution of Fleur Guenther (Senior Manager, Reward, Macquarie Group) for her work as company secretary until her resignation in July 2018. We thank Fleur for her contribution and wish her well in her new role in New York with Macquarie Group.



- Federal Members Jason Falinski MP & Terri Butler MP at the 2018 Business Innovation & Employee Ownership Event (Parliament House Canberra)

# Administration, Legal and Tax

## Board Meetings

	Board Meetings Held – 12 (eligible to attend)	
	Board meetings attended	Date of Appointment, Last Election or Re-election (whichever is the later)
Benjamin Morris (Chair)	11 (12)	24 November 2016
Andrew Clements (Deputy Chair)	1 (1)	14 June 2018
Micaela Costello	5 (5)	16 February 2018
Alan Greig	12 (12)	27 November 2015
Matthew Lever	10 (12)	24 November 2016
James Marshall	8 (12)	22 November 2017
Tom McCarty	1 (2)	4 May 2018
Phillip Muhlbauer	8 (12)	24 November 2016
Angela Perry	8 (11)	27 November 2015
Mathew Ronald	10 (12)	22 November 2017
Norah Seddon	8 (12)	22 November 2017
Brett Tollman	0 (0)	25 June 2018

## Corporate Governance

Whilst the ASX governance guidelines do not 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 EOA to appoint auditors and undertake an annual financial audit.

## Indemnities and Insurance

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



EOA 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 EOA.

## Governmental Regulations

EOA 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 plaintiff or defendant in any proceedings.

## Creditor payments

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

At 30 June 2018, there were no purchases outstanding in respect of EOA.

Signed as a correct record:



Benjamin Morris

CHAIR



- EOA Chair Benjamin Morris presenting at the EOA 2018 Annual Conference (Sydney)



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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

**Central Accounting & Taxation Advisory**  
Suite 105, Level 1, 50 Clarence Street  
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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 year ended 30 June 2018.

**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)  
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 (Chair, Appointed 24 November 2014)  
Ms Norah Anne Seddon (Director, Appointed 24 November 2014)  
Mr Mathew Ronald (Director, Appointed 16 June 2017)  
Ms Micaela Costello (Director, Appointed 16 February 2018)  
Mr Tom McCarty (Director, Appointed 4 May 2018)  
Mr Andrew Clements (Deputy Chair, Appointed 14 June 2018)

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 Fleur Guenther was appointed Company Secretary on 15 December 2017.

**Operating Results**

The profit of the company after providing for income tax amounted to \$11,349.

**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.

**Environmental Issues**

The company's operations are not regulated by any significant environmental regulations 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 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 of Directors**

Mr Benjamin Morris	Chair
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 Andrew Clement	Deputy Chair
Qualifications	Bachelor of Commerce and Laws, Master of Law
Experience	Andrew is a Partner in the Melbourne office of King & Wood Mallesons where he specialises in tax with an emphasis on capital gains tax, consolidation, imputation and international tax work. His practice concentrates on corporate tax, together with the tax consequences of dealing with intellectual property rights and with the taxation treatment of the fund's management industry. He also has extensive experience in relation to both the tax and legal issues associated with employee share schemes.
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	Nil
Mr Alan Howard Greig	Director
Qualifications	Bachelor of Arts
Experience	Director since 26 July 2011
Special Responsibilities	Information coordinator and policy development
Mr James Marshall	Director
Qualifications	Bachelor of Commerce
Experience	Plan manager, employee equity, Investor Services
Special Responsibilities	Nil

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

**DIRECTORS' REPORT**

Mr Mathew Ronald	Director
Qualifications	Master of Business Administration, Bachelor of Laws (Hons), Bachelor of Communication
Experience	Equity plan specialist, equity plan management, legal, tax and consulting
Special Responsibilities	Nil
Mr Matthew Lever	Director
Qualifications	Bachelor of Business (Accounting)
Experience	Financial Services Sales and Business development executive
Special Responsibilities	Nil
Ms Micaela Costello	Director
Qualifications	Bachelor of Business Studies (Human Resource Management and Communication Management), Postgraduate Diploma in Business and Administration (Management Systems)
Experience	Head of Executive Compensation and Equity at CSL Limited where responsibilities include the design, development and implementation of the CSL Group executive compensation and equity strategies and programs
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 share schemes and expatriate matters.
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
Mr Tom McCarty	Director
Qualifications	Diploma of Business Administration
Experience	General Manager, Equity Plan division, Link Market Services managing equity plan clients across the full spectrum of the employee share plan lifecycle, including share plan administration, legal and regulatory advice, data metrics, employee engagement and trustee services
Special Responsibilities	Nil



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

**DIRECTORS' REPORT**

**Meeting of Directors**

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

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Angela Jane Perry	11	8
Alan Howard Greig	12	12
Matthew Lever	12	10
James Marshall	12	8
Benjamin Morris	12	11
Phillip Muhlbauer	12	8
Mathew Ronald	12	10
Norah Seddon	12	8
Andrew Clements	1	1
Micaela Costello	5	5
Tom McCarty	2	1

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

**DIRECTORS' REPORT**

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

Director: *Ben*  
Mr Benjamin Morris

Director: *Alan H. Greig*  
Mr Alan Howard Greig

Dated this *22nd* day of *August, 2018*

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Income</b>			
Revenue	3	38,996	42,691
<b>Expenditure</b>			
Accountancy expenses		(1,600)	(1,500)
Other expenses		(26,047)	(40,566)
		11,349	625
<b>Profit for the year</b>		11,349	625
<b>Total comprehensive income for the year</b>		11,349	625

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 2018**

	2018 \$	2017 \$
<b>INCOME</b>		
Conference Fees	1,613	8,710
Membership Fee	37,379	33,978
	<u>38,992</u>	<u>42,688</u>
<b>OTHER INCOME</b>		
Interest Received	4	3
	<u>38,996</u>	<u>42,691</u>
<b>EXPENSES</b>		
Accountancy Fees	1,600	1,500
Bank Charges	139	131
Conference Expense	115	2,538
Filing Fees	-	80
Insurance	2,657	2,446
Membership & Research	167	2,234
Newsletter Production	93	106
Postage and Shipping	425	400
PR & Communications	16,546	31,807
Event Hire	1,864	-
Printing & Stationery	1,736	-
Sundry Expenses	-	17
Travelling Expenses	1,612	-
Website Construction & Maintenance	693	807
	<u>27,647</u>	<u>42,066</u>
<b>Profit before income tax</b>	<u>11,349</u>	<u>625</u>

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	46,623	35,117
Trade and other receivables	5	823	1,916
<b>TOTAL CURRENT ASSETS</b>		<u>47,446</u>	<u>37,033</u>
<b>TOTAL ASSETS</b>		<u>47,446</u>	<u>37,033</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	3,900	4,836
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,900</u>	<u>4,836</u>
<b>TOTAL LIABILITIES</b>		<u>3,900</u>	<u>4,836</u>
<b>NET ASSETS</b>		<u>43,546</u>	<u>32,197</u>
<b>EQUITY</b>			
Retained earnings	7	43,546	32,197
<b>TOTAL EQUITY</b>		<u>43,546</u>	<u>32,197</u>

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Retained earnings \$	Total \$
<b>Balance at 1 July 2016</b>		31,572	31,572
Profit attributable to equity shareholders		625	625
<b>Balance at 30 June 2017</b>		32,197	32,197
Profit attributable to equity shareholders		11,349	11,349
<b>Balance at 30 June 2018</b>		43,546	43,546

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 YEAR ENDED 30 JUNE 2018**

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The financial reports cover Employee Ownership Australia Limited as an individual entity. Employee Ownership Australia Limited is a for profit proprietary company incorporated and domiciled in Australia.

The functional and presentation currency of Employee Ownership Australia Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

**1 Basis of Preparation**

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

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

**2 Summary of Significant Accounting Policies**  
**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).

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

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After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The company's available-for-sale financial assets comprise listed securities.

All available for sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

**Available-for-sale financial assets**

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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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 asset 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.

**Cash and Cash Equivalents**

Cash and cash equivalents comprise 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.

**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 company 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.

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**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.

**Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the 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 2018**

	2018 \$	2017 \$
<b>3 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales revenue:		
Rendering of services	38,992	42,688
Other revenue:		
Interest received	4	3
Total revenue	<u>38,996</u>	<u>42,691</u>
<b>Interest revenue from:</b>		
Interest Received	<u>4</u>	<u>3</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>4</u>	<u>3</u>
<b>4 Cash and Cash Equivalents</b>		
Cash at Bank - Westpac *513	46,622	35,116
Cash at Bank - Westpac *302	<u>1</u>	<u>1</u>
	<u>46,623</u>	<u>35,117</u>
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Input Tax Credits	<u>823</u>	<u>1,916</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.

**EMPLOYEE OWNERSHIP AUSTRALIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>6 Trade and Other Payables</b>		
<b>Current</b>		
Other Creditors	-	566
GST Payable	3,899	4,269
GST suspense account	1	1
	<u>3,900</u>	<u>4,836</u>
<b>7 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	32,197	31,572
Net profit attributable to members of the company	<u>11,349</u>	<u>625</u>
Retained earnings at the end of the financial year	<u>43,546</u>	<u>32,197</u>

**8 Financial Risk Management**

The company is exposed to a variety of financial risks through its use of financial instruments.

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The company does not speculate in financial assets.

The company does not have any derivative instruments at 30 June 2018.

**Objectives, Policies and Processes**

Risk management is carried out by the company's Risk Management Committee under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the company, these policies and procedures are then approved by the Risk Management Committee and tabled at the Board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

<b>2018</b>	<b>2017</b>
<b>\$</b>	<b>\$</b>

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Specific information regarding the mitigation of each financial risk to which company is exposed is provided below.

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

The other classes of receivables do not contain impaired assets.

**9 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 6 to 16, for the year ended 30 June 2018 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 Benjamin Morris

Director:



Mr Alan Howard Greig

Dated this

22nd day of August, 2018

**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 2018, 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:** Suite 105 Level 1, 50 Clarence Street, Sydney NSW 2000

**Dated this** 22nd day of August, 2018