

# EOA Annual Report

## Financial Year End 30 June 2019

*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 (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 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.



- Attendees at the 2019 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.
- 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 2019 EOA Annual Conference (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, and ESOP finance matters.
- f. Access to a network of 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 2019 EOA Annual Awards Night (Sydney)





# Activities and Business Review

The 2018/2019 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:



## Annual Conference

The 2018 Conference was highly successful, with an attendance of 65 of the leading professionals in the employee ownership space.

Highlights included the Awards Night and the broad variety of speakers, including Keynote presentations from Jon Williams and Luke Henderson. Both received overwhelmingly positive feedback in the post conference survey.



## Key Reform Agenda

2018 saw EOA Board and Expert Panel representatives meet with a variety of policy makers and politicians.

This included discussions prior to the Treasurers announcement on employee share schemes in November 2018 and the subsequent "consultation paper". EOA's submission and follow up meetings with Treasury staff focused on the changes required to improve the efficiency of employee share ownership in Australia.



## Collaboration

EOA has continued collaborating with other industry groups such as the BCCM.



## Board Renewal & Diversity

EOA has engaged in ongoing discussions with various leaders in our sector with a view of continuing to bring on new talent to the EOA Board.



## Website

The EOA website is the main outlet for disseminating information on employee ownership in Australia. The website was upgraded in 2017/18 and has been a success, with more information being available which is easier to access and read. The website now provides upwards of 2000 pageviews per month to an average of 1000 new visitors per month who mostly arrive via on-line search platforms.



## Employee Ownership Public Policy Advocacy

This financial year saw significant progress made towards EOA publishing a public policy white paper.

With the launch of the paper imminent, EOA will be in a strong position in the coming year to continue advocating for positive legislative change on behalf of its members.



## Member Events

Aside of the 2018 Annual Conference, EOA hosted various member events that included webinars and a 'meet the winners' round table luncheon.

EOA also spoke at other industry events including those hosted by the AICD and GEO.



## Online Training

EOA launched the first of its 'Getting Started With Employee Ownership' online training modules.

The aim of the online training is to make it easier and more accessible for owners, founders and managers of SMEs and Start Ups to get started with employee ownership.

More modules have been developed and will be released this coming financial year.



## Companies Circle

EOA began discussions with a core 'steering' group of interested companies to help reboot the companies inner circle for the coming financial year.



## Social Media

EOA outputs regular tweets to its 700+ dedicated twitter followers, and provides regular posts on the latest topics of interest via its LinkedIn and facebook pages



# Directors

The names of the directors as at 30 June, 2019 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 legal consultant (and former 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.



## 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.





## 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.



## Phillip Muhlbauer

Phillip is a Principal at Global Investors Pty Ltd and is a professional investor across numerous asset classes, focussing on venture capital for start up and early stage companies. He runs a family office and is actively involved in the RegTech, FinTech and alternative markets.

With over 30 years' experience in the financial services industry, Phillip has domestic and global CEO experience. Phillip was CEO of Link Market Services for 7 years, serving on the boards of companies in India, South Africa, Germany, United Arab Emirates, New Zealand and Papua New Guinea. Specific areas of focus include corporate restructuring, mergers and acquisitions, credit and treasury risk management, asset management, investor education, new product and services development and strategic business development.

Phillip has also worked for a number of top tier financial institutions including UBS Australia, Australian Securities Exchange and Commonwealth Bank of Australia.

Phillip is a Strategic Advisor to Linqto Inc, Director of LBW Trust (Learning for a Better World Charity), Advisory Member of the Sydney FC Foundation, Mentor at Startupbootcamp (FinTech) and a member of YPO Gold.



## 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 most recently (2011) while driving the setting up of Employee Ownership Australia Ltd.

Alan is Director, Ownership Strategies at Mercury Cooperative Ltd, an agency specialising in building collaborative enterprises through consultancy, research, information, advice and training. At Mercury, 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.

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.



## 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.

Norah resigned from the Board effective 14 August 2019.



## 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.





## 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.

Angela resigned from the Board effective 22 August 2019.



## 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.



- Award Winners at the 2019 EOA Annual Awards Night (Sydney)





# Administration, Legal and Tax

## Board Meetings

	Board Meetings Held – 6 (eligible to attend)	
	Board meetings attended	Date of Appointment, Last Election or Re-election (whichever is the later)
Benjamin Morris	6 (6)	29 November 2018
Andrew Clements	5 (6)	14 June 2018
Micaela Costello	6 (6)	16 February 2018
Alan Greig	6 (6)	29 November 2018
Matthew Lever	5 (6)	29 November 2018
James Marshall	3 (6)	22 November 2017
Tom McCarty	3 (6)	4 May 2018
Phillip Muhlbauer	6 (6)	29 November 2018
Angela Perry	1 (2) *	Resigned from the Board effective 22 August 2019
Mathew Ronald	5 (6)	22 November 2017
Norah Seddon	3 (6)	Resigned from the Board effective 14 August 2019
Brett Tollman	4 (6)	25 June 2018

\*It was agreed with the directors that Angela Perry would have a 6 month leave of absence from directors meetings during the financial year. Taking that period of leave into account, Angela was only required to attend 2 meetings of directors during the 2019 financial year.

## 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 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 2019, there were no purchases outstanding in respect of EOA.

Signed as a correct record:



Benjamin Morris

CHAIR

Date: 29/10/19

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2019**

**Central Accounting & Taxation Advisory**

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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 2019.

**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)  
Mr Brett Marc Tollman (Director, Appointed 25 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:

Mr Brett Feltham was appointed Company Secretary on 22 August 2018.

**Operating Results**

The profit of the company after providing for income tax amounted to \$1,496.

**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.

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

**DIRECTORS' REPORT**

**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.

**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**

The company indemnifies current and former directors and officers for any loss arising from any claim by reason of any wrongful act committed by them in their capacity as a director or officer (subject to certain exclusions as required by law). During the 2019 financial year, a total of \$1894.22 in premiums for Directors and Officers Liability insurance was paid. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such by an officer or auditor.

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

**DIRECTORS' REPORT**

**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 Legal Consultant 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.
Special Responsibilities	Nil
Ms Angela Jane Perry	Director
Qualifications	UK Barrister, Australian Qualified Solicitor, LLB Law Degree, MAICD, Member of EOA and NCEO and 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 and investor services.
Special Responsibilities	Nil
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



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

**DIRECTORS' REPORT**

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	Partner at PwC. Provision of 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 and strategic business development.
Special Responsibilities	Nil
Mr Tom McCarty	Director
Qualifications	Diploma of Business Administration
Experience	General Manager, Equity Plan Solutions, 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
Mr Brett Tollman	Director
Qualifications	Bachelor of Science, Certification from Association of Tax Technicians (UK)
Experience	Brett has 20 years' experience as a Reward professional. 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.
Special Responsibilities	Nil

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

**DIRECTORS' REPORT**

**Meeting of Directors**

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Angela Jane Perry*	2	1
Alan Howard Greig	6	6
Matthew Lever	6	5
James Marshall	6	3
Benjamin Morris	6	6
Phillip Muhlbauer	6	6
Mathew Ronald	6	5
Norah Seddon	6	3
Andrew Clements	6	5
Micaela Costello	6	6
Tom McCarty	6	3
Brett Tollman	6	4

\*It was agreed with the directors that Angela Jane Perry would have a 6 months leave of absence from director meetings during the financial year. Taking that period of leave into account, Angela was only eligible to attend 2 meetings of directors during the 2019 financial year.

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

**DIRECTORS' REPORT**

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

Director: *B. Morris*  
Mr Benjamin Morris

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

Dated this *20<sup>th</sup>* day of *August, 2019*

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Income</b>			
Revenue	3	27,937	38,996
<b>Expenditure</b>			
Accountancy expenses		(1,600)	(1,600)
Other expenses		(24,841)	(26,047)
		1,496	11,349
<b>Profit for the year</b>		1,496	11,349
<b>Total comprehensive income for the year</b>		1,496	11,349

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 2019**

	2019 \$	2018 \$
<b>INCOME</b>		
Conference Fees	5,847	1,613
Membership Fee	22,086	37,379
	<u>27,933</u>	<u>38,992</u>
<b>OTHER INCOME</b>		
Interest Received	4	4
	<u>27,937</u>	<u>38,996</u>
<b>EXPENSES</b>		
Accountancy Fees	1,600	1,600
Bank Charges	90	139
Conference Expense	499	115
Filing Fees	329	-
Insurance	2,751	2,657
Membership & Research	180	167
Newsletter Production	92	93
Postage and Shipping	525	425
PR & Communications	16,296	16,546
Event Hire	-	1,864
Printing & Stationery	615	1,736
Travelling Expenses	784	1,612
Website Hosting	2,680	693
	<u>26,441</u>	<u>27,647</u>
<b>Profit before income tax</b>	<u>1,496</u>	<u>11,349</u>

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	47,239	46,623
Trade and other receivables	5	597	823
<b>TOTAL CURRENT ASSETS</b>		<u>47,836</u>	<u>47,446</u>
<b>TOTAL ASSETS</b>		<u>47,836</u>	<u>47,446</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	2,794	3,900
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,794</u>	<u>3,900</u>
<b>TOTAL LIABILITIES</b>		<u>2,794</u>	<u>3,900</u>
<b>NET ASSETS</b>		<u>45,042</u>	<u>43,546</u>
<b>EQUITY</b>			
Retained earnings	7	45,042	43,546
<b>TOTAL EQUITY</b>		<u>45,042</u>	<u>43,546</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 YEAR ENDED 30 JUNE 2019**

	Note	Retained earnings \$	Total \$
<b>Balance at 1 July 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
Profit attributable to equity shareholders		1,496	1,496
<b>Balance at 30 June 2019</b>		45,042	45,042

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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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).



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**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.

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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**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 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.

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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 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.

**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.

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	2019 \$	2018 \$
<b>3 Revenue and Other Income</b>		
<b>Revenue</b>		
Sales revenue:		
Rendering of services	27,933	38,992
Other revenue:		
Interest received	4	4
Total revenue	<u>27,937</u>	<u>38,996</u>
<b>Interest revenue from:</b>		
Interest Received	<u>4</u>	<u>4</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>4</u>	<u>4</u>
<b>4 Cash and Cash Equivalents</b>		
Cash at Bank - Westpac *513	47,238	46,622
Cash at Bank - Westpac *302	<u>1</u>	<u>1</u>
	<u>47,239</u>	<u>46,623</u>
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Input Tax Credits	<u>597</u>	<u>823</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.



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	2019 \$	2018 \$
<b>6 Trade and Other Payables</b>		
<b>Current</b>		
GST Payable	2,793	3,899
GST suspense account	1	1
	<u>2,794</u>	<u>3,900</u>
<b>7 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	43,546	32,197
Net profit attributable to members of the company	1,496	11,349
Retained earnings at the end of the financial year	<u>45,042</u>	<u>43,546</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 2019.

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**2019**  
**\$**

**2018**  
**\$**

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**Objectives, Policies and Processes**

Risk management and assessment is carried out generally by the Board of Directors as a whole and any material risk exposures for the company are discussed at director meetings.

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**  
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**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 17, for the year ended 30 June 2019 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 20<sup>th</sup> day of August, 2019

**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 2019, 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**      **day of**

21/08/2019