

Fund Executives Association Limited

ABN 21086016131

Financial Report

30 June 2009

Fund Executives Association Limited

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Fund Executives Association Limited

Directors' report

For the year ended 30 June 2009

The Directors present their report together with the financial report of Fund Executives Association Limited ("the Association") for the financial year ended 30 June 2009 and the auditor's report thereon.

1 Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	Qualifications
Michael Dwyer <i>Appointed 30 November 2007</i>	Dip of Superannuation Management Advanced Dip of Financial Services (Superannuation) Diploma of Public Administration, FASFA
David Malek Elia <i>Appointed 26 November 2008</i>	B. Economics Dip in Applied Finance and Investment CA, ICAA
Joseph Vincent John Farrugia <i>Appointed 26 November 2008</i>	B. Economics Dip in Superannuation Management ANZIIF (Snr Assoc) CIP
Howard Rosario <i>Appointed 30 November 2006</i>	BComm, FCA, FAICD, FASFA
Damian Michael Hill <i>Appointed 30 November 2006</i>	B. Sc, Dip SM, CIMA
Paul Dean Watson <i>Appointed 30 November 2006</i>	Dip.FP, Dip. SM, PLD (HBS), FASFA
John Wainman O'Flaherty <i>Appointed 28 November 2007</i>	Graduate of Australian Institute of Company Directors (GAICD) B. Economics B. Arts (Hons)
Robyn Anne Petrou <i>Appointed 26 November 2008</i>	BEC – Macquarie University Certificate of Management – Macquarie Graduate School of Management Diploma of Superannuation Management – BEC – Macquarie University

2 Company secretary

Michael Baldwin was appointed Company Secretary on 5 October 2001.

Fund Executives Association Limited

Directors' report

For the year ended 30 June 2009

3 Directors' meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Association during the financial year are:

Director	No. of meetings attended	No. of meetings eligible to attend
Michael Dwyer	4	4
David Elia	4	4
Joseph Farugia	4	4
Howard Rosario	4	4
Damian Hill	4	4
Paul Watson	4	4
John O'Flaherty	3	4
Robyn Petrou	2	3

4 Principal activities

The principal activity of the Association during the course of the financial year was to assist in the professional development of fund executives by providing educational resources such as briefings, conferences, newsletters and scholarships.

There were no other significant changes in the nature of the activities of the Association during the year.

5 Operating and financial review

The loss after tax of the Association for the year ended 30 June 2009 was \$3,626 (2008: \$46,152 profit).

Review of operations

Membership currently stands at 228 (2008: 227). The FEAL conference continues to grow with increased revenues from attendance and increased support from sponsors.

Total members' funds have decreased to \$127,334 as at 30 June 2009 (2008: \$130,960).

Significant changes in the state of affairs

In the opinion of the Directors, there were no material changes in the affairs of the Association during the financial year under review.

6 Environmental regulation

The Association's operations are not subject to any significant environmental regulations under either Commonwealth, State or Territory legislation.

However, the Board believes that the Association has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Association.

7 Dividends

The Association is prohibited under section 73 of its constitution from paying dividends.

Fund Executives Association Limited

Directors' report

For the year ended 30 June 2009

8 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Association, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in future financial years.

9 Likely developments

It is not foreseen that the Association will undertake any change in its general direction during the coming financial year

10 Directors' and officers' indemnities and insurance

The Association has agreed to indemnify current and former directors against liabilities to another person that may arise from their position as directors of the Association, except where the liability arises out of conduct involving a lack of good faith. The policy limits indemnity coverage to \$5,000,000 for one claim and \$10,000,000 in aggregate.

Since the end of the previous financial year the Association has paid insurance premiums of \$3,331 (2008: \$6,237) in respect of directors' and officers' liability and legal expense insurance contracts, for current and former directors and officers of the Association.

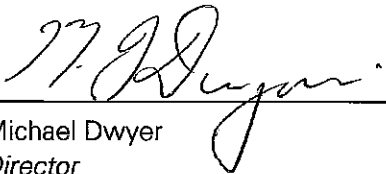
11 Association particulars

Fund Executives Association Limited is incorporated in Australia. The address of the registered office is Level 7, 50 Clarence Street, Sydney NSW 2000.

12 Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' report for financial year ended 30 June 2009.

This report is made in accordance with a resolution of the Directors:



Michael Dwyer
Director



Howard Rosario
Director

Dated at Sydney this 2 day of November 2009.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Fund Executives Association Limited

I declare that, to the best of my knowledge and belief, in relation to our audit for the financial year ended 30 June 2009, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Madeleine Mattera
Partner

Sydney

2 November 2009

Fund Executives Association Limited

Income statement

For the year ended 30 June 2009

	<i>Note</i>	2009	2008
		\$	\$
Membership fees		241,088	128,669
Event income		100,775	199,548
Sponsorship income		281,455	324,091
Scholarship income		80,625	64,091
IMCA cost recoveries		39,798	29,288
Miscellaneous income		20,575	95
Reimbursement of merchant fee		20	-
Reimbursement of education costs		12,517	-
Total revenue		<u>776,853</u>	<u>745,782</u>
Conference costs		(84,424)	(45,613)
Consulting fees		(23,513)	(37,763)
Depreciation expense		(6,374)	(6,517)
Personnel expenses	4	(314,500)	(242,332)
Motor vehicle expenses		-	(12,232)
Events expenditure		(110,084)	(114,692)
Postage and courier costs		(5,004)	(3,932)
Printing and stationery costs		(18,276)	(32,978)
Reimbursement of membership fees		(10)	(27,500)
Scholarship expenses		(125,261)	(90,794)
Telecommunication expenses		(12,697)	(10,864)
Travelling expenses		(27,158)	(28,188)
Rent expenses		(38,328)	(36,745)
Other expenses		(23,899)	(41,196)
Total expenses		<u>(789,528)</u>	<u>(731,346)</u>
(deficit)/surplus before finance income		<u>(12,675)</u>	<u>14,436</u>
Finance income	5	10,796	16,407
Finance expense	5	-	-
Net finance income	5	<u>10,796</u>	<u>16,407</u>
(Deficit)/Surplus before income tax		(1,879)	30,843
Income tax (expense)/benefit	6	(1,747)	15,309
(Deficit)/Surplus for the year		<u>(3,626)</u>	<u>46,152</u>

The notes on pages 10 to 21 are an integral part of these financial statements.

Fund Executives Association Limited

Statement of recognised income and expense

For the year ended 30 June 2009

	2009	2008
	\$	\$
(Deficit)/Surplus for the year	(3,626)	46,152
Total recognised income and expense for the period	<u>(3,626)</u>	<u>46,152</u>

The notes on pages 10 to 21 are an integral part of these financial statements.

Fund Executives Association Limited

Balance sheet

As at 30 June 2009

	<i>Note</i>	2009 \$	2008 \$
Assets			
Cash and cash equivalents	7	316,607	300,309
Receivables	8	1,912	9,781
Prepayments		4,746	2,113
Current tax assets		3,323	-
Total current assets		<u>326,588</u>	<u>312,203</u>
Deferred tax assets		39,050	44,120
Property, plant and equipment	9	24,660	30,636
Total non-current assets		<u>63,710</u>	<u>74,756</u>
Total assets		<u>390,298</u>	<u>386,959</u>
Liabilities			
Payables	10	41,494	99,165
Employee benefits	11	12,489	6,652
Unearned income		186,810	136,076
Current tax payable		-	1,428
Total current liabilities		<u>240,793</u>	<u>243,321</u>
Employee benefits	11	22,171	12,678
Total non-current liabilities		<u>22,171</u>	<u>12,678</u>
Total liabilities		<u>262,964</u>	<u>255,999</u>
Net assets		<u>127,334</u>	<u>130,960</u>
Accumulated funds			
Retained surplus	12	127,334	130,960
Total accumulated funds		<u>127,334</u>	<u>130,960</u>

The notes on pages 10 to 21 are an integral part of these financial statements.

Fund Executives Association Limited

Statement of cash flows

For the year ended 30 June 2009

	<i>Note</i>	2009 \$	2008 \$
Cash flows from operating activities			
Cash receipts in the course of operations		784,722	861,168
Cash payments in the course of operations		(777,394)	(751,765)
Cash generated from operations		<u>7,328</u>	<u>109,403</u>
Tax (paid)/received		(1,428)	12,735
Net cash flows from operating activities	<i>16</i>	<u>5,900</u>	<u>122,138</u>
Cash flows from investing activities			
Interest received		10,796	16,407
Payments for property, plant and equipment and intangible assets		(398)	(16,610)
Net cash flows from/(used in) investing activities		<u>10,398</u>	<u>(203)</u>
Net cash flows from financing activities			
		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		16,298	121,935
Cash and cash equivalents at beginning of financial year		300,309	178,374
Cash and cash equivalents at end of financial year	<i>7</i>	<u>316,607</u>	<u>300,309</u>

The notes on pages 10 to 21 are an integral part of these financial statements.

Fund Executives Association Limited

Notes to the financial statements

For the year ended 30 June 2009

1 Reporting entity

Fund Executives Association Limited (the "Association") is a Company domiciled in Australia. The address of the Association's registered office is Level 7, 50 Clarence Street, Sydney NSW 2000.

The Association is a company limited by guarantee. In the event of a winding up of the Association, each member undertakes to contribute an amount not exceeding \$100 to the Association to pay outstanding liabilities and the costs of winding up.

The Association is primarily involved in the professional development of fund executives by providing educational resources such as briefings, conferences, newsletter and scholarships.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 2/11/2009

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Association's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Association elected to early adopt the following accounting standards and amendments in the prior year:

- AASB 8 *Operating Segments*
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise receivables, cash and cash equivalents and payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the income statement, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if the Association becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Association's contractual rights to the cash flows from the financial assets expire or if the Association transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Association's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income is discussed in note 3(g).

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "miscellaneous income" in the income statement.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

3 Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates for the current and comparative periods are as follows:

- Plant and equipment 7.5% - 40%
- Furniture and fittings 7.5%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(c) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the Association's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use, being the depreciated replacement cost of the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

3 Significant accounting policies (continued)

(d) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Other long-term employee benefits

The Association's net obligation in respect of long-term employee benefits, other than defined contribution plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government securities that have maturity dates approximating the terms of the Association's obligations.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(e) Revenue

(i) Membership, sponsorship and event income

Membership, sponsorship and event income is recognised on a cash basis. Where sponsorship or event income is received prior to year end and relates to the following year, it is treated as unearned income and brought to account as income in the following year.

(ii) IMCA cost recoveries

IMCA cost recoveries are recognised when invoiced.

(f) Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

(g) Finance income

Finance income comprises interest income. Interest income is recognised as it accrues in the income statement using the effective interest method.

(h) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

3 Significant accounting policies (continued)

(h) Income tax (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(j) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report:

- Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in accumulated funds during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in accumulated funds in a single statement) or, in an income statement and a separate statement of comprehensive income.

Revised AASB 101, which becomes mandatory for the Association's 30 June 2010 financial statements, is expected to have an impact on the presentation of the financial statements. The Association plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 financial statements.

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

4 Personnel expenses

	2009	2008
	\$	\$
Wages and salaries	268,492	219,092
Increase in liability for annual leave	5,837	646
Increase in liability for long service leave	9,493	2,245
Contributions to defined contribution plans	24,208	18,137
Workers compensation	6,470	2,212
	<u>314,500</u>	<u>242,332</u>

5 Finance income and expense

	2009	2008
	\$	\$
Interest income	10,796	16,407
Finance income	<u>10,796</u>	<u>16,407</u>
Finance expense	-	-
Net finance income	<u>10,796</u>	<u>16,407</u>

6 Income tax

	2009	2008
	\$	\$
Current tax expense		
Current period	(3,323)	1,428
	<u>(3,323)</u>	<u>1,428</u>
Deferred tax expense		
Origination and reversal of temporary differences	5,070	(16,737)
	<u>5,070</u>	<u>(16,737)</u>
Total income tax expense/(benefit)	<u>1,747</u>	<u>(15,309)</u>

Numerical reconciliation between tax expense and pre-tax accounting profit

	2009	2008
	\$	\$
(Deficit)/Surplus for the year	(3,626)	46,152
Income tax (expense)/benefit	(1,747)	15,309
(Deficit)/Surplus excluding income tax	<u>(1,879)</u>	<u>30,843</u>
Income tax using the Association's statutory income tax rate of 30% (2008: 30%)	(564)	9,253
Non-allowable mutual expenses	73,053	55,460
Non-deductible expenses	1,584	722
Mutuality adjustment	(72,326)	(14,087)
Mutual member income	-	(66,657)
Total income tax expense/(benefit) in income statement	<u>1,747</u>	<u>(15,309)</u>

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

7 Cash and cash equivalents

	2009 \$	2008 \$
Bank balances	206,626	300,309
Cash on hand	200	-
Call deposits	109,781	-
Cash and cash equivalents in the statement of cash flows	<u>316,607</u>	<u>300,309</u>

8 Receivables

	2009 \$	2008 \$
Deposits	-	9,781
Other receivables	1,912	-
	<u>1,912</u>	<u>9,781</u>

9 Property, plant and equipment

	2009 \$	2008 \$
<i>Plant and equipment</i>		
Carrying amount at beginning of the year	11,252	10,021
Additions	-	6,138
Depreciation for the year	(4,735)	(4,907)
Carrying amount at the end of the year	<u>6,517</u>	<u>11,252</u>
<i>Furniture and fittings</i>		
Carrying amount at beginning of the year	19,384	10,522
Additions	398	10,472
Depreciation for the year	(1,639)	(1,610)
Carrying amount at the end of the year	<u>18,143</u>	<u>19,384</u>
<i>Total</i>		
Carrying amount at beginning of the year	30,636	20,543
Additions	398	16,610
Depreciation for the year	(6,374)	(6,517)
Carrying amount at the end of the year	<u>24,660</u>	<u>30,636</u>

10 Payables

	2009 \$	2008 \$
Creditors and accruals	25,761	98,317
GST payable	4,250	848
PAYG tax payable	11,483	-
	<u>41,494</u>	<u>99,165</u>

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

11 Employee benefits

	2009	2008
	\$	\$
Current		
Liability for annual leave	12,489	6,652
Total employee benefits - current	<u>12,489</u>	<u>6,652</u>
Non-current		
Liability for long service leave	22,171	12,678
Total employee benefits – non current	<u>22,171</u>	<u>12,678</u>

12 Member funds

	2009	2008
	\$	\$
Balance at beginning of year	130,960	84,808
(Deficit)/Surplus for the year	(3,626)	46,152
Balance at 30 June	<u>127,334</u>	<u>130,960</u>

The Association is a company limited by guarantee, accordingly there is no equity in the form of share capital contributed by the members.

13 Financial instruments and financial risk management

(a) Overview

The Association has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Association's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

13 Financial instruments and financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Association's cash and cash equivalents and receivables.

Exposure to credit risk

The carrying amount of the Association's financial assets represents the maximum credit exposure. The Association's maximum exposure to credit risk at the reporting date was:

	2009 \$	2008 \$
Cash and cash equivalents	316,607	300,309
Receivables	1,912	9,781
	<u>318,519</u>	<u>310,090</u>

There are no financial assets that are past due which are considered to have significant credit risk as at 30 June 2009 and 30 June 2008. No financial assets are impaired at the reporting date.

Management of credit risk

Cash and bank deposits are placed with financial institutions which are regulated and management does not expect any counterparty to fail to meet its obligations.

Management has not established credit limits due to the nature of the Association's operations. The Association does not have any material credit risk exposure to any single debtor.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments. Contractual amounts are expected payments which have not been discounted.

30 June 2009

Non-derivative financial liabilities	Note	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$
Creditors and accruals	10	25,761	25,761	25,761	-
GST payable	10	4,250	4,250	4,250	-
PAYG tax payable	10	11,483	11,483	11,483	-
		<u>41,494</u>	<u>41,494</u>	<u>41,494</u>	<u>-</u>

30 June 2008

Creditors and accruals	10	98,317	98,317	98,317	-
GST payable	10	848	848	848	-
		<u>99,165</u>	<u>99,165</u>	<u>99,165</u>	<u>-</u>

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

13 Financial instruments and financial risk management (continued)

Management of liquidity risk

The Association's approach to management of liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Association's income or the value of its holdings of financial instruments.

Exposure to market risk

The Association is exposed to interest rate risk arising from its cash and cash equivalents.

At 30 June 2009 the Association held cash of \$316,607 (2008: \$300,309). The interest rate on this financial asset is 7.2% (2008: 6%). A change of 100 basis points in interest rates at the reporting date would have an immaterial impact on members funds and surplus or deficit for the year.

Management of market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Fair values

The carrying values of financial assets and liabilities are considered to approximate their fair values as they are short term in nature.

14 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2009	2008
	\$	\$
Less than one year	46,720	42,154
Between one and five years	15,024	48,544
	<u>61,744</u>	<u>90,698</u>

15 Capital and other commitments

There are no capital or other contractual commitments that are not provided for as at 30 June 2009 (2008: nil).

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

16 Reconciliation of cash flows from operating activities

	2009	2008
	\$	\$
Cash flows from operating activities		
(Deficit)/Surplus for the year	(3,626)	46,152
Adjustments for:		
Depreciation expense	6,374	6,517
Net finance income	(10,796)	(16,407)
Income tax expense/(benefit)	1,747	(15,309)
Operating surplus before changes in assets and liabilities	<u>(6,301)</u>	<u>20,953</u>
Change in receivables	7,869	-
Change in prepayments	(2,633)	(819)
Change in payables	(57,671)	45,166
Change in employee benefits	15,330	2,891
Change in unearned income	50,734	41,212
	<u>7,328</u>	<u>109,403</u>
Income tax (paid)/received	(1,428)	12,735
Net cash from operating activities	<u>5,900</u>	<u>122,138</u>

17 Related parties

Key management personnel

The following were key management personnel of the Association at any time during the reporting period:

Michael Dwyer
David Elia
Joseph Farugia
Howard Rosario
Damian Hill
Paul Watson
John O'Flaherty
Robyn Petrou
Michael Baldwin

Directors receive no remuneration in respect of their appointment. Remuneration does not include insurance premiums paid by the Association or related parties in respect of Directors' and Officers' Liabilities and Legal Expenses insurance contracts, as the insurance policies do not specify premiums paid in respect of individual Directors. Remuneration paid to key management personnel who are not directors totalled \$182,145 (2008: \$192,152).

18 Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Association's financial statements at 30 June 2009.

Fund Executives Association Limited

Notes to the financial statements (continued)

For the year ended 30 June 2009

19 Auditor's remuneration

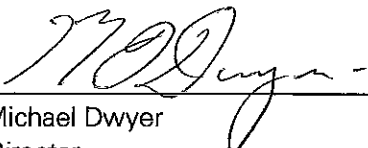
	2009	2008
	\$	\$
Audit services		
Auditors of the Company		
<i>KPMG Australia:</i>		
Audit of financial reports	-	-
	<u>-</u>	<u>-</u>

Fund Executives Association Limited


Directors' declaration

- 1 In the opinion of the Directors of Fund Executives Association Limited (the "Association"):
- (a) the financial statements and notes that are set out on pages 6 to 21, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2009 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Michael Dwyer
Director



Howard Rosario
Director

Dated at Sydney this 2 day of November 2009.



Independent audit report to the members of Fund Executives Association Limited

Report on the financial report

We have audited the accompanying financial report of Fund Executives Association Limited (the Association), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 19 and the directors' declaration set out on pages 6 to 22.

Directors' responsibility for the financial report

The directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian accounting Interpretations), a view which is consistent with our understanding of the Association's financial position, and of its performance.



Independent audit report to the members of Fund Executives Association Limited (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- (a) the financial report of Fund Executives Association Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

KPMG

KPMG

Madeleine Mattera
Partner

Sydney

2 November 2009