



Chartered Secretaries Australia
Annual Report 2009



**CHARTERED SECRETARIES
AUSTRALIA**

Leaders in governance

Across all sectors

CSA has been conscious that, as governance has evolved over the last decade, the need to extend a governance culture throughout any organisation is more important than ever. What was once reserved for directors and some select senior executives in large listed companies now extends to all types of organisations and throughout those organisations.

Recognising the need to improve governance capacity across all sectors, CSA widened its premier qualifying program, the Graduate Diploma of Applied Corporate Governance, to also meet the needs of the public sector. We are gratified by the response we have received by engaging with senior public servants across a wide range of agencies and from government corporatised organisations.

CSA also recognised the need to improve the governance skills of the not-for-profit sector. We have been providing training for a number of years, but in late 2009 the board agreed to pilot a volunteer program for Members to provide governance advice to smaller not-for-profit entities. We are working with some of Australia's leading foundations and matching the needs of the organisations they support with the expertise of our governance professionals.

We are proud of the assistance we provide to all three sectors, not only in education and training but in the provision of useful tools to improve performance. Most notable is our Good Governance Guides service, which is a web-based library open to anyone and with content tailored to listed public companies, non-listed companies, the public sector and the not-for-profit sector.



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Chairman and CEO report



Peter Turnbull FCIS
Chairman
Chartered Secretaries Australia



Tim Sheehy FCIS
Chief Executive

In 2001 your board broadened the mission of Chartered Secretaries Australia (CSA) to promote and advance effective governance practices in all sectors of the Australian community. Your board took the view that good governance practices would improve the performance and transparency of organisations in Australia. This is not just our opinion. Many global studies confirm the real benefits of good governance to organisations, regardless of whether they are large or small or their position in the public, private or not-for-profit sector.

CSA is now widely recognised as the independent leader in governance in Australia. We deliver the most practical and authoritative training and information in governance, speak with a unique independence of mind on policy and lead the way in providing intellectual property on governance at no cost to the Australian community.

It is timely to take stock of how CSA's commitment has shaped organisational practice and performance and to highlight the achievements we have made. We aim to ensure that membership continues to be relevant and is attractive to governance professionals in the private, public and not-for-profit sectors and whether working with boards, in risk management or compliance.

Strategic direction

During 2009, significant initiatives were launched that are a key part of CSA's strategy to broaden its relevance. First, we expanded our qualifying program — the Graduate Diploma of Applied Corporate Governance — into the public sector. Second, with the increased emphasis on risk management as central to governance we launched a second

certificate course — the Certificate in Governance and Risk Management. Finally, we launched a new category of membership, the Certificated Member, to enable professionals to engage with CSA earlier in their careers.

Member commitment

CSA's achievements and the benefits that the wider membership gains are the result of the strong commitment of staff and a large number of very dedicated Members that sit on key committees.

The sustained contribution of CSA's two private sector policy committees, the Legislation Review Committee (LRC) and the Corporate and Legal Issues Committee (CLIC), has continued and resulted in informed and practical input to legislative and regulatory policy development and has entrenched CSA's contribution in the eyes of regulators and the government. These two committees have also developed 47 Good Governance Guides, which are available on the CSA website for everyone to access.

During 2009, the Public Sector Advisory Group became a formal policy committee of the board. Now called the Public Sector Governance Committee, the group is part of CSA's commitment to promote effective governance in the public sector and it is gratifying to see the committee's tangible output in such a short time.

The work of the National Education Committee over the last three years has resulted in significant changes to the Graduate Diploma of Applied Corporate Governance, the only accredited postgraduate and applied education offering in governance in Australia. This qualification is considered essential for anyone seeking a senior career in governance in listed private companies, and as part of our mission we want to see the same high standards applied to the public sector.

Your board created a new category of membership this year, the Certificated Member, to ensure that organisations can build a strong governance culture.

Finally, the work of the Communication Committee has resulted in CSA being able to provide the leading Australian journal on governance, *Keeping good companies*, and ten specialist publications on governance practice.

Risk management and governance

The importance of risk management to a robust governance framework has driven your board's decision to increase services to Members and prospective Members in this important area.

The addition of a subject on Risk and Compliance in the Graduate Diploma met with great success and enables a governance professional with CSA qualifications to champion the risk management framework that is essential to safeguard the integrity of an organisation.

A second Certificate course was launched in 2009, the Certificate in Governance and Risk Management. CSA's two Certificate courses rely on a fundamental understanding of the importance of governance to organisational performance and then drill down to the specific area of application.

Completion of either Certificate course fulfils the education requirement for Certificated membership of CSA.

In 2009 we also issued a publication, *Enterprise Risk Management*, which assists those seeking to embed risk management as part of their overall governance framework.

Membership is attractive to the full range of governance professionals

Your board created a new category of membership this year, the Certificated Member, to ensure that organisations can build a strong governance culture, and to attract professionals earlier in their careers. Further, we aim to stay relevant to Members as they develop their careers. By providing an initiation into a governance role, it not only boosts the depth and breadth of knowledge in organisations but also acts as a bridge to being an accredited governance professional and Member of The Institute of Chartered Secretaries and Administrators (ICSA) and Member of CSA.

Financial health

Notwithstanding the difficult economic conditions in 2009, CSA did record growth in a number of major revenue items including membership income and revenue from the Graduate Diploma and training. In addition, cash reserves increased by \$773,000 or just under 30 per cent from 2008, putting CSA in an excellent position.

CSA experienced moderate growth in provision of formal education via the Graduate Diploma to the value of \$2.317 million, and in the provision of training to the value of \$1.752 million. The increase in the Graduate Diploma feeds directly into membership prospects and underscores the increasing attractiveness to professionals in attaining this professional qualification.

As expected, revenue from seminars, workshops and conferences was down from 2008 levels with only a slight increase in attendance for the National Conference from 2008.

Expenses for 2009 were marginally down from 2008, with increased one-off costs associated with expanding the Graduate Diploma subjects from six to eight and increased staff costs from converting work from contract positions to full-time staff roles. Contract roles were brought in-house to increase the

synergy with other internal roles and as a risk management strategy. Total staff numbers rose from 32.8 to 33.3 full-time equivalent and are anticipated to stay at that level throughout 2010.

The strong revenue growth of recent years has not been at the expense of generating an appropriate return. CSA's gross trading margin has continually increased each year since 2003 rising from 63 per cent in 2003 to 70 per cent in 2009. Protecting and growing these margins is critical as any surplus resources are needed to fund other non-cash generating activities.

Early in 2009, new premises were opened in Perth, a first for CSA. The look and feel of our Sydney, Brisbane and Perth offices are now the same. At the time of writing we are finalising plans for a new Melbourne office modelled on the design of the other premises and will be in those premises by the middle of 2010.

Conclusion

In closing, 2009 was a year of expansion for CSA. The planning undertaken over the last three years has all paid off with the final building blocks now in place. We offer education and training from the start of a career in governance to a professional's career peak. We are an active and influential contributor to the governance knowledge base and work to shape improvements in practice.

Your board is looking forward to increased participation from younger Members and from governance professionals in the public and not-for-profit sectors.

Finally, we would like to take this opportunity to thank all of the Members of CSA that have assisted the organisation by teaching, serving on State Councils and policy committees, contributing to the development of information and other activities. We could not have achieved so much without you. Thank you sincerely.

Membership



One of the strategic imperatives for CSA over the past few years has been to ensure that the organisation remains a strong and vibrant membership association for many years to come, and not just an educator and trainer in the field of governance.

With this in mind, we set about implementing a strategy of encouraging aspiring governance professionals to have a deeper and ongoing relationship with CSA from an earlier point in their careers.



Certificated membership

The introduction of the Certificate in Governance Practice and Administration in 2007 provided people with an introduction to governance with a vocational level Certificate qualification on successful completion of the course. The launch of CSA's Certificated Member category in October 2009 provided the final link to integrating graduates of the Certificate into a membership category commensurate with their knowledge and experience at that stage of their governance careers. Certificated membership provides the same access to online information and resources, and Member benefits and discounts afforded to Associate and Fellow level Members.

Importantly, the ongoing relationship that Certificated Members have with CSA provides valuable guidance to aspiring governance professionals in taking the necessary educational and professional development steps towards senior governance roles and responsibilities. This includes studying CSA's Graduate Diploma and ultimately progressing to Associate and Fellow level membership as a Chartered Secretary.

Judging by the fact that CSA had 84 Certificated Members by the end of 2009 after only three months, it would seem that this new initiative will continue to grow and provide a solid foundation for CSA's senior membership for many years to come.

Changing demographics

As the role of governance and risk management changes and expands, so do the range of roles that comprise the field of governance. Though still a significant proportion of CSA's membership, those in purely company secretarial roles now share the stage with others, as key governance and risk responsibilities expand into the roles of other titles including chief financial officer, general counsel, chief governance officer, or even chief risk officer.

Equally over recent years, CSA has noticed the demographic balance of students and resulting Members has changed. In particular, the ratio of females to males who are studying with CSA on our Graduate Diploma has grown significantly over this time from around one-third of all students in 2003 to just under a half of the total number in 2009, in what was once considered a male-dominated profession. Furthermore, this is reflected in the number of females now in senior governance roles in Australia. For example, around one-third of all senior governance positions at the top 200 ASX listed companies have a female appointed to the role.

The average age of a student undertaking CSA's Graduate Diploma also continues to fall steadily, with the increasing need for governance knowledge across a wider range and level of roles. For this reason, CSA's training and Certificate courses continue to be extremely popular as people have the need for basic and practical knowledge that they can immediately apply in their daily responsibilities. As graduates of CSA's Certificate course move to Certificated membership, it is likely that the age of our Graduate Diploma student will steadily fall further, as these people remain engaged with CSA and are acutely aware of the knowledge they require to be successful in senior governance roles.

CSA has a major part to play in educating and informing current and future governance professionals, and building a pipeline to provide greater diversity in future board members throughout Australia's organisations.

CSA Members in positions of influence

The role of company secretary or governance professional has become central to the effective running of boards and administration councils throughout Australia.

In particular, this person has a significant impact on the level and quality of the organisation's corporate governance and governance culture and often has a pivotal role in assisting the board to achieve the entity's vision and strategy. The activities of the governance professional encompass legal and regulatory duties and obligations and additional responsibilities assigned by the employer.

Of the top 20 ASX listed companies in Australia, 18 have company secretaries or senior governance professionals who are CSA Members. CSA Members are also very well represented in other listed and private companies, and increasingly in the public and not-for-profit sectors. This shows that the knowledge and skills that our Members have are very highly regarded and in great demand.

Regulators and other stakeholders are also recognising CSA as the first place to go on governance issues, with our opinion being regularly reported in national media. Significantly, the main regulators chose CSA's 26th National Conference in early December 2009 to announce their planned amendments for 2010, which was picked up by the national media the following day.

Increasingly, the company secretary or senior governance professional is being seen as an excellent source of future company directors. CSA therefore has a major part to play in educating and informing both current and future governance professionals, and building a pipeline to provide greater diversity in the bank of future board members throughout Australia's organisations.



Education and training

CSA's commitment to a 'cradle to grave' approach in education and training to support the governance professional or aspiring governance professional on their career journey continued to strengthen in 2009.

We offer courses and programs in various aspects of governance for all requirements, from short courses for those needing to develop a particular skill set to ensuring that the next generation is ready to take on the responsibilities given to them by their organisations and postgraduate education for the experienced governance professional.

We also conduct a range of conferences and events so that those with governance responsibilities can be assured they have timely and relevant professional development.

Training programs

CSA currently has 23 training programs that are offered both online and face-to-face to meet just-in-time learning requirements. Typically, students are highly motivated people who are either embarking on a career in governance or are already well-established in their roles or planned career paths. They are looking to improve their performance, to enhance their future career options or to consolidate themselves in their current roles.

The programs provide invaluable knowledge and skills for anyone in a role providing support to a governance professional responsible for the accountability mechanisms of an organisation. This can be in a public (listed or unlisted) or proprietary company, or a not-for-profit, government or other organisation. There are also programs for directors, officers and other senior managers who require a broad understanding of the scope of their governance responsibilities and the skills required to discharge them.

In 2009 there were a number of additional training programs added to the existing suite. These were Project Governance: Accountability and Risk Management, Governance Essentials, Risk Management Frameworks, Meeting Compliance Requirements, Business Continuity and Reputation Risk, and Assessing, Analysing and Treating Risk.

This translated to a total of 1,464 registrations in CSA's training programs, an increase of 11 per cent over the previous year.

Certificate courses

Demand from both industry and aspiring governance professionals to provide a recognised qualification by a peak professional body, led to the development of the Certificate in Governance Practice.

The programs which make up the Certificate in Governance Practice have been drawn from the suite of individual training programs. This has enabled an individual who has already completed a number of training programs to enrol in the Certificate and complete the remaining programs required for the award of the qualification.

The Certificate course offers the participant substantial flexibility to choose training programs and attendance options to meet their individual needs while working towards completion of the qualification. The programs are robust, practical and continuously updated by experts in the field.

In 2009, to respond to industry demand for a focused qualification on risk and compliance, CSA developed a new certificate course. The Certificate in Governance and Risk Management was developed to assist students in identifying, understanding and applying the crucial elements involved in organisational risk management and compliance.

The Certificate in Governance and Risk Management aims to provide an introduction to a wide range of topic areas to enable students to gain an understanding of important issues in relation to risk and compliance principles, frameworks and approaches.

The goals of the course include:

- to examine the concept, objectives and processes involved in establishing an enterprise-wide risk management framework
- to recognise the importance of establishing a risk culture for achieving business objectives and compliance
- to appreciate the methodologies and systems for monitoring of and reporting on compliance
- to recognise the scope and importance of risk management and compliance in its various areas and applications
- to understand the risk management and compliance responsibilities of the board and management.

Graduate Diploma

The Graduate Diploma of Applied Corporate Governance is the gateway to membership of CSA and the Institute of Chartered Secretaries and Administrators (ICSA). It sets the standard for entry into the profession and is the only applied postgraduate course in governance that includes tailored public and private sector subject options, as well as a dedicated subject on risk and compliance.

The Graduate Diploma of Applied Corporate Governance is a postgraduate course, fully accredited by all relevant higher education authorities across Australia, confirming the academic rigour and quality of the program. The course has been designed, written and regularly reviewed by leading law and business academics and expert practitioners in corporate and public sector governance.

Holders of the Graduate Diploma of Applied Corporate Governance are eligible for advanced standing on entering an MBA and other postgraduate business and law programs at most Australian universities.

The Graduate Diploma has also been developed to provide maximum flexibility for student attendance with subjects being offered both online and by tutorial.

In 2009 the Graduate Diploma of Applied Corporate Governance was expanded to include a public sector stream consisting of two new subjects; namely Applied Administrative Law and Public Sector Accountability and Transparency. These subjects ‘twin’ the existing law subjects developed primarily for the private sector, that is, Applied Corporate Law and Corporate Accountability: Meetings and Disclosure.

In 2009, CSA also recognised the need to take a more strategic approach, as a result of the ever-developing challenges in the area, to risk and compliance. The newly developed subject Risk and Compliance was delivered for the first time in 2009 and focused on the principles and practices in relation to risk management and compliance; and the governance professional’s role in ensuring that the organisation has systems, processes and procedures in place to ensure reporting lines are clear and accountability and control mechanisms are effective.

Graduate Diploma subjects

Private sector stream *Public sector stream*



Pathways

With the ongoing development of the training programs, the development of multiple Certificates, and a greater alignment of the Certificate programs with the Graduate Diploma it is now possible for a graduating Certificate student to gain some recognition towards the completion of the Graduate Diploma, or alternatively towards the completion of a subject in the Graduate Diploma as a single subject offering.

Intellectual property



In order to fulfil our mission of promoting and advancing the effective governance and administration of organisations in the private and public sectors, CSA commenced a publications program in 2003. A key aim of our publications is to disseminate information about governance and risk management widely, not just to Members, but to the broader community. We now have an extensive suite of publications available on key governance topics, including directors' duties and liabilities; protection of directors in relation to the undertaking of those duties; ensuring effective and well-run AGMs; implementing a continuous disclosure policy to meet the demands of the regulatory regime; enhancing board performance; and putting in place good communication with proxy advisory services, among others.

In 2009 we added the publication *Enterprise Risk Management* to the suite, as well as a new edition of *Corporate Governance and the Company Secretary*. The risk title provides guidance on how to ensure that any risk management system sits within the governance framework of the organisation.

A comprehensive suite of Good Governance Guides are available, free of charge, on our website — an important aspect of the fulfilment of our mission as the leading provider of quality intellectual property in governance is to ensure that we

make authoritative information freely available to the community at large. The Guides comprise practice that, in our view, constitutes good governance in the numerous grey areas not covered by legislation. They are practical guidance on how to achieve governance in practice — not just talk about it. In 2009, we published new Guides on the issue of Recording minutes of directors' meetings — a hotly debated matter in light of the *James Hardie* decision — and Board reports, which covers difficult-to-manage issues such as the tabling of board papers.

Importantly, given our growing focus on the public sector, in 2009 we developed a suite of Good Governance Guides applicable to this sector. As with the other Guides, those developed specifically for the public sector are designed to highlight sound practice principles of governance in those areas where there is no clear legislative or regulatory requirement. They cover topics as diverse as the governance arrangements in government businesses; conflicts of interest, related party transactions and delegations of authority in government businesses; achieving governance in organisations without boards; compliance in the public sector; and key performance indicators, both financial and non-financial, in public sector agencies.

In 2009 CSA also developed a new section on our website, called Governance for Beginners. This offers a framework to assist any interested person, be they in the private, public or not-for-profit sectors, to understand the basics of governance and how to approach embedding systems and processes in their organisation. It provides a range of material, including sample documentation, to assist organisations to implement a governance framework that is suitable for its structure, and also steps users through the tools that are required for both implementation and monitoring. By providing a context for developing skills in governance, this new channel on our website is intended to expand knowledge throughout the community.

Finally, our journal, *Keeping good companies*, is the pre-eminent journal on governance in Australia. It offers readers well-written, insightful articles on governance and risk management issues; specialist areas such as corporations, environmental, taxation, competition and employment law; intellectual property; shareholder activism; and sustainability; and information relevant to executives in corporate life, such as articles on management issues, international trends and surveys. Our research shows that 81 per cent of Members always read the journal; and 56 per cent keep it for further reference, with another 11 per cent passing it to another reader. As a business journal, it is engaged with the practical application of governance, but its rigour and breadth of coverage sees it held in most law libraries and referenced in academic studies.

A key aim of our publications is to disseminate information about governance and risk management widely, not just to Members, but to the broader community.

Advocacy



CSA influences thinking and behaviour and provides expert commentary on governance in Australia. We also proactively encourage federal and state governments to create legislative frameworks that foster good governance practices and ethical behaviour.

When representing our Members, all of whom hold governance responsibilities, be they in private, public or not-for-profit organisations, CSA is seen to be an 'independent mind'. Our Members' views are shaped to the best governance outcomes, rather than seeking to protect the interests of any particular group of professionals. This independence of mind has seen CSA help shape the reform process and effect change.

For example, as a longstanding member of the key governance body, the ASX Corporate Governance Council, CSA has been actively engaged in helping shape the Council's Corporate Governance Principles and Recommendations. CSA is also a member of the Governance Committee of Standards Australia, and of ASIC's Business Advisory Committee. Our productive relationships with ASIC, Treasury, and APRA, as well as ASX, see us participate in formal liaison committees and discuss issues of interest more informally. In 2009, CSA responded to proposed legal reform on a number of relevant issues, including executive remuneration; market integrity; capital raising; the harmonisation

of occupational health and safety legislation; and corporate whistleblowing. Our efforts bore fruit with the law governing termination payments made to executives, with the final legislation being much more practical and workable than earlier drafts.

Our proactive work in governance has seen us highlight areas where we believe reform is required, by advocating law reform, issuing discussion papers, holding Roundtables or conducting research on current governance practice. For example, CSA has been advocating for many years that reform is required in relation to access to and use of the register of members of companies and its treatment in the *Corporations Act 2001*. We have been keen to assist all stakeholders to understand why the current law does not provide acceptable privacy rights for shareholders in relation to public access to and use of their details on the register. In the first half of 2009, the government issued an options paper for public consultation on this issue. Having campaigned vigorously for almost a decade for reform to the law, CSA was very pleased to see the government respond to our concerns and commence the process of ensuring greater protection for shareholders.

CSA also raised the issue of the disclosure of margin loans held by directors in the securities of the companies they govern, which the government referred to the Corporations and Markets Advisory Committee for consideration. Its consultation on market integrity canvassed the views of all stakeholders and resulted in recommendations being made to the ASX Corporate Governance Council.

An important research project that CSA undertook in 2009 was the inaugural survey of federal and state commercialised government entities in Australia, that is, government-owned corporations (GOCs), government

business enterprises (GBEs), state-owned corporations (SOCs) and government trading enterprises (GTEs). The 66 per cent response rate showed us how keen this sector is to examine governance practice. The research report looks at the core questions of the management of boards and their committees, governance documentation and disclosure and the function of the secretariat and asks: Does the corporate form create distance from government so that the entity can focus on the business of the particular enterprise? Does the shareholding government also function as a director? Does the board create its own documentation to ensure its decisions are in the best interests of the organisation? Is the board supported in its governing role?

This research complements that which we have undertaken for ten years on governance practice in the top ASX 200 companies. Over a decade we have built up definitive statistical information and trends on governance practice in Australia in the private sector, which in turn can be used to support calls for reform. Our intent is to develop comparative data over time for the public sector, so that it can be used by government-owned companies to benchmark their systems and processes, and by governments across Australia to assist them to better manage these commercial vehicles. Overall, our aim is to effect an ongoing improvement of governance practice across all sectors.

Accessibility



As a national membership association, CSA seeks to be as open and accessible as possible to all those who have an interest in governance and risk management education and training.

We recognise that people who study and train with us lead busy lives, and we strive to make it as easy as possible for people to attend our courses, seminars and events.

For instance, with our Graduate Diploma of Applied Corporate Governance, we offer the option of weeknight or Saturday tutorials, as well as a distance learning service.

Our Certificate programs can be studied by attending half-day tutorials at one of our city-based premises around Australia. Flexibility is also provided through options such as a three-day 'Intensive' for those who want to complete the Certificate quickly and CSA's Online Learning Centre, which provides the ultimate flexibility of studying remotely and at a time and pace to suit the student with the aid of filmed tutorials. Examinations are also taken online, providing the ultimate convenience for people who either prefer to or are forced to study remotely.

CSA premises

CSA has premises conveniently located in the central business districts of Brisbane, Melbourne, Perth and Sydney. Each location offers standardised lecture facilities where students and event attendees can participate and study in a professional and comfortable atmosphere. All CSA's locations have state-of-the-art presentation facilities. This allows the same standard of lecture to be delivered to an audience, whichever the location.

In standardising the design and quality of our premises nationally, CSA also sends out a strong message on the consistent high quality and consistency of our services and activities wherever they are delivered across Australia. This is of particular interest and importance to CSA's partners and sponsors who also have multi-state and national interests.

CSA online

CSA is proud of the organisation's website, www.CSAust.com. Developed and constantly improved over a number of years, it provides Members and non-members alike with access to a wealth of information and resources in a wide range of governance and risk management areas. It also provides visitors with the ability to register for training and events online, as well as download a range of forms, including for membership applications.

The Members' area of the website continues to be a major benefit of CSA membership, with full access to a range of templates and online resources that are particularly practical for those in governance roles. From October 2009, Certificated Members were also granted access to this area, which enables governance teams in organisations to be increasingly integrated from senior through to junior levels by having the same access to CSA's online resources.

In the interests of promoting good governance to the wider community, we have also developed publicly available information for CSA's website, which is the pre-eminent place to obtain information on governance. In this way, CSA is providing open access to governance information to all who require an understanding of the basics, through to providing in-depth and specialist support and tools to the most senior governance professionals in Australia.

International recognition and interconnectivity

CSA's approach of promoting and advancing the effective governance and administration of all organisations through the continued development and application of best practice in this area is not only something that we do throughout Australia; we also have significant interest in applying this internationally.

As the Australian Division of the Institute of Chartered Secretaries and Administrators (ICSA), CSA works with the other ICSA Divisions internationally to ensure that evolving issues and standards are considered and reviewed in developing best practice in Australia. This association also allows for an appreciation of the multi-jurisdictional approach to governance internationally. It also enables our Associate and Fellow Members to enjoy full international mobility in their careers, being able to travel and work in other countries under the internationally recognised professional designation, Chartered Secretary.

CSA is also a member of Corporate Secretaries International Association (CSIA), an international federation of professional bodies established in 2010 to promote corporate secretaryship and good governance. Member and affiliate organisations include national representative organisations from Hong Kong/China, the United States, India, the United Kingdom, Southern Africa, Kenya, Malaysia, Singapore, New Zealand, Australia and many other jurisdictions. All share a common interest in the promotion of good

governance and the professionals that underpin its practice. Working together, CSIA represents approximately 70,000 governance professionals in more than 70 countries.

CSA — a top performing association

CSA participates in the Annual Business and Professions Study, run by Beaton Consulting. With over 40 professional associations now participating in the study, it not only provides us with an indication of how we are performing for CSA Members, it also gives a very good indication on how that performance benchmarks against more than a dozen associations with a similar membership profile.

In terms of overall performance, CSA has ranked in either first or second place in five of the last six years when benchmarked across the 15 peer associations. In 2009, CSA was also the top ranked association on enabling Members to demonstrate to others a commitment to high professional ethical standards, providing leadership in its field, and providing valuable credentials, certification, registration and postnominals. These results are particularly gratifying as they are key areas on which CSA focuses considerable time and effort to ensure that Members receive this kind of value from ongoing membership of CSA.

CSA continues to participate in this annual study, and acts on the information and feedback that the results from this online survey provide.



CSA students and Members



Stephen Phillips

Company Secretary and General Manager, Customers and Commercial Development, Hunter Water Corporation

Stephen has held a number of senior and executive-level appointments spanning a broad cross section of industry including professional services (finance and insurance, legal, engineering and crisis management), state and local government (education and training, regional economic development, infrastructure development and tourism), information and communication technology (hardware manufacturing, software development, infrastructure and service provision) and utilities (electricity, gas, telecommunications and water).

He currently works for a state-owned company serving over half a million people. Since 1994 Stephen has served in the capacity of both a non-executive director and an executive director on a number of not-for-profit, government and industry boards. He currently sits on the Council of the Energy and Water Ombudsman of NSW (EWON) and is a member of the Legislative Review Task Force with the Commercial Law Association of Australia.

Stephen is an Affiliate of CSA and is currently undertaking the Graduate Diploma of Applied Corporate Governance with CSA.



Victoria Sweetman ACIS

Corporate Counsel and Director, Deloitte Touche Tomatsu

Victoria is a litigation lawyer and company secretary with more than 13 years' experience in managing litigation, both in private legal practice and as in-house counsel. She is an experienced commercial litigation lawyer, and also has broad expertise

in confronting the legal, regulatory and commercial issues that affect in-house legal teams in Australia. While at Deloitte, Victoria has headed the firm's professional indemnity insurance services which involved managing litigation involving the firm and is currently a director in the firm's forensic practice. She also has broad expertise in managing in-house legal teams and the issues that confront them.

Before pursuing an in-house career, Victoria was a senior associate at one of Australia's oldest litigation law firms, where she developed expertise in running large and complex commercial and insurance litigation in the Supreme, Federal and High Court. Victoria also worked for a number of years in various roles at AMP Limited.



James Field FCIS

Managing Director, CompliSpace Pty Ltd

With over 25 years' commercial experience, James has held a variety of senior legal and management positions, both in Australia and internationally. After working as a partner in several leading Sydney law firms, James left the law to become CEO of a start-up business, a journey that, through a series of mergers and acquisitions, eventually led him to be involved in a senior executive capacity in listing a company on ASX in 2000. In 2002 James founded CompliSpace Pty Ltd to provide high-quality corporate governance programs and services to small to mid-market enterprises.

James designs, develops, implements and maintains corporate governance programs across a wide range of industry sectors including Australian Financial Services Licensees (AFSLs), ASX listed entities and small to medium-sized enterprises. His key focus areas include risk management, compliance,

complaints handling, business continuity, privacy, anti-money laundering and counter-terrorist financing, managed investment schemes, ASX and AFSL governance as well as workplace relations and workplace safety. In 2009, James also co-wrote a publication, *Enterprise Risk Management*, with two other CSA Members. The booklet is now an important part of CSA's intellectual property on governance issues.



John Hatton FCIS

Company Secretary, Commonwealth Bank of Australia

John has been Company Secretary at the Commonwealth Bank since 1994, leading a team of 24 responsible for the secretarial and governance functions of the Bank and the Group of approximately 500 companies in Australia and various off-shore jurisdictions. During this period, John has been involved in many significant steps in the development of the Bank, including the various stages of the privatisation of the Bank and the mergers with Colonial Limited and BankWest.

From 1985 to 1994, John was a solicitor with the Bank's Legal Department and was involved in large commercial transactions, including aircraft leveraged leasing, project financing and infrastructure projects.

CSA executive staff

Tim Sheehy FCIS

Chief Executive

Tim has been Chief Executive since November 1999. He develops CSA's major strategic objectives and leads the senior management team in their achievement of budget targets and CSA's legal and international responsibilities. In the time since he has led CSA, he has positioned it as the independent leader in governance focused on improving organisational performance. His background prior to joining CSA was in investment banking with Westpac and Swiss Bank Corporation and management consulting with McKinsey & Co Inc.



Irene Booth

Director, Education & Training

Irene joined CSA in January 2008. She develops and manages CSA's education and training programs to achieve its objective of being the leading provider of accredited education and lifelong learning in governance and administration. Irene maintains the educational and professional standards of the Graduate Diploma and the Certificate courses, and CSA's training programs. She ensures compliance with ICSA's academic requirements and the professional standard, and ensures that CSA is at the leading edge in education technology and delivery methods.



Judith Fox

Director, Policy

Judith has been Director, Policy since 2005, having originally joined CSA as Publishing Manager in January 2003. She facilitates and manages the development of CSA's advocacy and research program, governance policies and intellectual property to achieve its objective of being the leading advocate for, and provider of intellectual property in, good practice in governance, administration and risk management. In doing so, she enhances CSA's ability to influence governance, regulatory and legal issues and oversees the editorial direction and timeliness of publications in print and electronic formats.



Stan Jodeikin FCS

Director, Finance & Administration/ Company Secretary

Stan joined the staff of CSA in August 2000 and has been a Member of CSA since 1991. He manages CSA's compliance, secretarial, financial and administrative requirements so that it can achieve its mission of promoting and advancing effective governance and administration. Stan ensures CSA and the board meet legal and compliance requirements, CSA's and ICSA's constituent documents, and identifies and manages or mitigates risks. He provides company secretarial support to CSA and the board as well as financial and management accounting information systems for CSA, providing accurate information to the board, staff and relevant regulators. Stan also ensures that CSA's IT infrastructure meets the business's needs.



Marc Wanstall

Director, Marketing & Membership Services

Marc joined CSA in August 2008. He positions the CSA brand and the provision of services to governance and risk management professionals in the private, public and not-for-profit sectors, and ensures that membership is attractive as their careers develop. Marc manages and promotes CSA's Affiliates program. He develops processes to promote the attractiveness of studying with CSA and, ultimately conversion to membership in accordance with CSA's eligibility requirements. Marc also develops and delivers CSA's annual national events, including the National Conference. He cultivates strategic alliances with partners and sponsors and ensures the effective integration of CSA's national and state sponsorships.



Committees and membership

The National Council and the Board of Directors of CSA, who are listed on pages 26–29, gratefully acknowledge the commitment of our Members to policy development and our education program.

Legislation Review Committee

Peter Abraham FCIS

Consultant

Warren Baillie FCIS

Assistant Company Secretary, Woodside Energy Ltd

Paul Baranov FCIS

Legal Counsel, ASX Limited

Graeme Blackett FCIS

Company Secretary, Manager Secretariat, AMP Ltd

Kate Brown FCIS

Principal Advisor, Governance, Rio Tinto Ltd

Nick Burrows FCIS

Sam Butcher FCIS

Director, Drascombe

David Cantrick-Brooks FCIS*

Company Secretary — Subsidiaries, Australia and New Zealand Banking Group Ltd

Susan Casey FCIS

Corporate Counsel/Company Secretary, Rio Tinto Coal Australia Pty Ltd

Cecile Cooper ACIS

Company Secretary, Blackmores Ltd

Sue Crook FCIS

Victorian Manager, Company Matters Pty Limited

Nicholas Geddes FCIS**

Director, Australian Company Secretaries Pty Ltd

James Gerraty FCIS

Manager of Issuers, Melbourne, ASX Limited

Douglas Gratton FCIS (Chairman)

Barrister, Dawson Chambers

Ian Gregory FCIS

Principal, The Company Secretariat

Deborah Hambleton FCIS

Helen Hardy ACIS

John Hatton FCIS

Company Secretary, Commonwealth Bank of Australia Ltd

Michaela Healey FCIS

Company Secretary, National Australia Bank

Peter Janu FCIS

Company Secretary, Worley Parsons Ltd

Linda Kenyon FCIS

Company Secretary, Wesfarmers Ltd

Frances Kernot FCIS

Company Secretary, Woodside Energy Ltd

Karen Lange FCIS

Contract Company Secretary, Company Secretary & Governance Solutions

Margot Maasakkers FCIS

Deputy Company Secretary, Coca-Cola Amatil Ltd

Ross Mallett FCIS

Fiona Mead FCIS

Company Secretary, Asciano Group

Trisha Mok FCIS

Director of Legal & Commercial Affairs (Asia-Pacific), Spendvision Pty Ltd

Sylvie Moser ACIS

Corporate Finance Manager — Accountant, Anglo Coal Australia Pty Ltd

Carmel Mulhern FCIS

Company Secretary, Telstra Corporation Limited

Peter Patterson FCIS

Company Secretary, AWB Limited

Simon Pordage FCIS

Company Secretary, Australian Foundation Investment Company Ltd

Kathryn Presser ACIS

Company Secretary, Beach Petroleum Ltd

John Priestley FCIS

Company Secretary, Australia and New Zealand Banking Group Ltd

Vanessa Rees FCIS**

Company Secretary, Leighton Holdings

John Rennie FCIS

Convenor, CSA Public Company Secretaries Discussion Group — Victoria

Ashley Roff FCIS

Director, Legal, Government Relations & Sustainability Aust & NZ, ABB Grain Ltd

Thea Rosenbaum FCIS**

Secretary, Australian Prudential Regulation Authority

Anna Sandham FCIS

Head of Group Secretariat, Westpac Banking Corporation Ltd

Michael Scott ACIS

Manager Secretariat & Shareholder Relations, Tabcorp Holdings Ltd

Fiona Smith FCIS

Deputy Company Secretary, BHP Billiton Ltd

Mark Studd FCIS

Assistant Company Secretary, Woolworths Ltd

Lawrence Tutton FCIS*

Consultant

Vicki Vordis ACIS*

Company Secretary/Executive Support, AMP Ltd

Caroline Waldron ACIS

General Counsel & Company Secretary, David Jones Ltd

Tony Walsh FCIS**

Director, Tony Walsh Corporate Services

Peter Whyntie*

Executive Manager, Risk Management & Compliance, Commlnsure

Bernard Yates FCIS*

Corporate and Legal Issues Committee

Mark Anning ACIS

Group Company Secretary / Legal Counsel, Vita Group Limited

Paul Baranov FCIS (Chairman)

Legal Counsel, ASX Limited

Tim Buskens ACIS

Head of Group Risk and Compliance, Link Market Services Pty Ltd

Darryl Edwards FCIS

Company Secretary, RCR Tomlinson Limited

Alan Evans FCIS*

Corporation Secretary, Hydro Tasmania

Anthony Evans FCIS*

General Manager & Secretary, Western Australian Planning Commission

Nicholas Geddes FCIS*

Director, Australian Company Secretaries Pty Ltd

Ian Gilmour FCIS

Director/Company Secretary, Gilmour & Company Pty Ltd

Duncan Glasgow FCIS

Director, Professional Edge

Libby Joyner ACIS**

Head of Company Secretariat, MLC Campus

David Munday ACIS

Company Secretary, New England Credit Union Ltd

Vicki Offner FCIS

Compliance Manager, QBE Insurance (Australia) Limited

Cathy Oster FCIS**

Joint Company Secretary, Beach Petroleum Limited

William Pallister FCIS

Chartered Secretaries Australia

Stephen Partington FCIS

Company Secretary & General Counsel, Ten Network Holdings Limited

David Robinson FCIS*

Consultant

Lisa Storrs FCIS

Director, Corporate Secretariat Services Pty Ltd

Rick Sutton FCIS

General Manager Finance, National Pharmacies

Mark Travers FCIS

Chief Financial Officer/Company Secretary, Flinders Ports Pty Ltd

Lawrence Tutton FCIS*

Consultant

Nigel Ulrich FCIS

General Manager Legal, Parmalat Australia Ltd

Chris Wells FCIS***Peter Whyntie FCIS**

Executive Manager, Risk Management & Compliance, Commlnsure

Education Committee

Anthony Bailey FCIS

Director (Voluntary), VIS Nominees Pty Ltd

Brad Bowes*

Group Company Secretary, Brisbane Airport Corporation Pty Limited

Laurie Factor FCIS (Chairman)

Senior Lecturer, Curtin University of Technology

Clair Hodge FCIS***John Ryan FCIS***

Visiting Professorial Fellow, University of Wollongong

Christopher Symes FCIS*

Associate Professor, School of Law, Faculty of Education, Humanities, Law and Theology, Flinders University

Garry Tibbits ACIS**

Associate Dean (Academic), College of Business, University of Western Sydney

Belinda Webster FCIS

Director, Governance & Legal, University of Tasmania

Wendy Wills FCIS**

Business Director, Pembroke School Incorporated

Public Sector Governance Committee

Dr Alan Byrne FCIS**

Manager Treasury Procurement & Facilities, Lotterywest

Neil Colbran ACIS**

Director, Governance and Beyond

Alan Evans FCIS**

Corporation Secretary, Hydro Tasmania

Anthony Evans FCIS**

General Manager & Secretary, Western Australian Planning Commission

Naida Isenberg FCIS**

Senior Member, NSW Administrative Appeals Tribunal

David Lee ACIS**

Chief Executive Officer, Moyne Health Services

Tony Nippard FCIS**

Executive Director, Knowledge Management & Governance, Victorian State Services Authority

Thea Rosenbaum FCIS (Chairman)**

Secretary, Australian Prudential Regulation Authority

Irene Sitton ACIS**

Manager, Audit Operations Evaluation and Internal Audit Division, Department of Infrastructure & Planning, Queensland

Christopher Weh ACIS**

Audit Manager, Queensland Audit Office

Chris Wells FCIS****John Williamson****

General Manager — Corporate Governance, Tarong Energy Corporation Limited

Leanne Wrightson ACIS**

Communication Committee

Frank Bush FCIS (Chairman)

Director, Lisbourne Consulting

Keith Edwards FCIS

General Manager, Corporate and Chief Finance Officer, Powerhouse Museum

Andrew Horne FCIS*

Group Company Secretary/General Counsel, Thakral Holdings Group Ltd

Andrew Kamm FCIS

Chief General Manager, Risk Management, Adelaide Bank Limited

Brett Lane FCIS

Group Communications Manager, Monadelphous Group Limited

Ross Mallett FCIS**Dr Adrian McCullagh ACIS***

Adjunct Professor, Faculty of Information Technology, Queensland University of Technology

Simon Pordage FCIS

Company Secretary, Australian Foundation Investment Company Ltd

Miquël Timmers ACIS

Group Taxation Manager, Oil Search Limited

Peter Turnbull FCIS

Director, Calix Limited

Chris Wells FCIS****Bernard Yates FCIS** ***

* Resigned from committee in 2009

** Joined committee in 2009

Member milestones

Members who have attained Fellowship

The board congratulates Members who were elected to or advanced to Fellowship during 2009.

Roger Gerard Anthony	VIC
Michael David Antrum	NSW
Caroline Ruth Barton	QLD
Dalveen Michelle Belyea	WA
Alan David Berry	NSW
Alan Simon Byrne	WA
Neil George Cathie	VIC
Ringo Wan Wah Cheng	NSW
David Lindsay Cleland	VIC
Adam Cooper	SA
Robert Hugh Davies	NSW
John Kenneth Day	VIC
Elizabeth Mary Flynn	VIC
Paul Joseph Green	TAS
Stephen James Horne	NSW
Kevin Anthony Hubbard	QLD
Michael Peter Norman Hunter	NSW
Darryl Noel Inns	VIC
Wayne John Kernaghan	NSW
Ademola Ayodeji Kukoyi	QLD
Allen Sheung Chiu Lee	NSW
Catherine Ann Lucas	QLD
Jeffrey Campbell Luckins	VIC
Alexander Malcolm Maitland	NSW
Simon Edward Marks-Isaacs	NSW
John Paul Mazengarb	TAS
Gary Francis McGrath	VIC
Paul Alexander Richard Menzies-McVey	ACT
Trisha Wai Lyn Mok	VIC
Howard Alexander Morey	VIC
Timothy Patrick John Moseley	NSW
Anthony Michael Niardone	NSW
Lisa Mary Nicholson	VIC
Lyn Nicholson	NSW
Tony Nippard	VIC
Christopher Francis O'Meara	QLD
Keith Roberts	NSW
Tim Sheehy	NSW
Andrew Lewis Smith	QLD
Michael Gwyn Arnold Smith	NSW
David Charles Eaton Taplin	QLD
Milan Telford	NSW
Clive Ossian Weston	NSW

Continuous membership

CSA congratulates the following Members who achieved milestones for continuous membership in 2009.

50 years

New South Wales

Noel Baker FCIS
Raymond Ball FCIS
Raymond Block FCIS
Thomas Breaden ACIS
Ewen Cameron ACIS
Arthur Close FCIS
Ezekiel Cohen ACIS
Brian Coleman FCIS
Frank Epton ACIS
Eric Goodwin ACIS
Norman Greenwood ACIS
Geoffrey Hall FCIS
George Hamilton ACIS
David Hobbs FCIS
John Kelly ACIS
Ralph Kirkham FCIS
Eric Miller ACIS
Brian Norris ACIS
Neil Ohlsson ACIS
John Quinn ACIS
Philip Ryan ACIS
Philip Stanley ACIS
Douglas Sutherland FCIS
Bruce Travers FCIS
Ross Wunder FCIS

Queensland

David Barnett FCIS
Edward Buckley ACIS
Alexander Capern ACIS
Bruce Dennis ACIS
John Howes OBE FCIS
Leonard Lee ACIS
Norman Mar Fan ACIS
Paul Neylan FCIS
Victor Williams FCIS

South Australia

Brian Blunt ACIS
Peter Donnelly ACIS
Clyde Lawson ACIS
Janis Spalvins ACIS

Tasmania

Peter Blesson ACIS
Athol Eiszele OAM ISO FCIS

Victoria

James Eldridge ACIS
Edward Falk OBE FCIS
Brian Fergie ACIS
Patrick Fleming ACIS
Robert Grimm ACIS
Darvell Hutchinson AM ACIS
Lindsay Iles FCIS
Allan James FCIS
Frank Jones ACIS
Robert Maybury AO ACIS
Clifford Priddle ACIS
Alice Smith ACIS
James Thomas ACIS
Ray Tucker ACIS
Reverend Joseph Verspaandonk ACIS
John Wall ACIS
Barry Watson ACIS
Trevor Watts ACIS

Western Australia

John Everett FCIS
Stuart Kelso FCIS
John Lazberger ACIS
Graham Riley FCIS

25 years

New South Wales

Karo Aghajani ACIS
 Peter Allman ACIS
 Peter Andersen FCIS
 Marcel Basha ACIS
 Graeme Bell ACIS
 Richard Bernasconi FCIS
 Mark Bradley ACIS
 Paul Breeze FCIS
 Jill Brewster ACIS
 Edwin Brooks ACIS
 Peter Cleaves FCIS
 Margaret Connelly FCIS
 Giuseppe De Re ACIS
 Remo Dellagiacomma ACIS
 George Dunaeff ACIS
 Michael Ellis ACIS
 John Gatt ACIS
 Bradley Hair ACIS
 Colin Henson FCIS
 Gerard Hughes ACIS
 Kenneth Laing ACIS
 Jeffery Lister ACIS
 Mark Marshall ACIS
 Allan McLean ACIS

Alan Moffat ACIS
 John Nakhoul ACIS
 John O'Connor ACIS
 Owen Ooi ACIS
 Fiona Perry ACIS
 Brian Pusep ACIS
 Janaki Ramachandran ACIS
 Brian Rees ACIS
 Clare Roffe ACIS
 Steven Scott ACIS
 Thomas Seeto ACIS
 Marcia Sheath ACIS
 Mark Shields ACIS
 John Skinner ACIS
 James Smith FCIS
 John Surgeon FCIS
 Allan Toner ACIS
 David Turner ACIS
 Neil Westnedge ACIS
 Geoffrey Williams ACIS
 Mary Wilson ACIS
 Wong Po May ACIS
 Paul Yeung Sui Por ACIS
 Janet Young ACIS

Queensland

Bradley Bowes FCIS
 Ian Carah ACIS
 See Chan See Mun ACIS
 Dennis Conde FCIS
 Gerard Dalton ACIS
 Arthur Dobeson FCIS
 Ian Harding ACIS
 Barry Hollett FCIS
 Graham Lederhose ACIS
 Mervyn Lobb ACIS
 Ross Longland FCIS
 Patrick Mackey FCIS
 Ronald Webb ACIS

South Australia

Brian Dreyer ACIS
 Peter Hall FCIS
 Ross Mallett FCIS
 James Pitt ACIS
 Stanley Robinson FCIS
 Gregory Sheridan ACIS

Tasmania

David Carey ACIS

Victoria

Damian Benson ACIS
 Andrew Burns FCIS
 Peter Cantwell FCIS
 Swee Lee Chen ACIS
 Wai Chow ACIS
 Peter Davison ACIS
 Stephen Everett FCIS
 John Fedorko ACIS
 Ian Gawler ACIS
 Anne Gillam ACIS
 Paul Harris FCIS
 Terry Hull FCIS
 Rene Johnson ACIS
 Vivien Laska ACIS
 George Lawson FCIS
 Kenneth Lee Tet FCIS
 Peter Maher ACIS
 Patrick O'Connor FCIS
 Daniel Pekin ACIS
 Nalin Perera FCIS
 Colin Perry ACIS

Grace Raar ACIS
 Norman Reynolds FCIS
 Lena Sim ACIS
 Paul Southwick ACIS
 Michael Steeth ACIS
 William Wallace ACIS
 Ian Wilson ACIS
 Robert Wilson ACIS
 Gary Wong Seng Mun ACIS
 Richard Woods FCIS
 Philip Wright ACIS

Western Australia

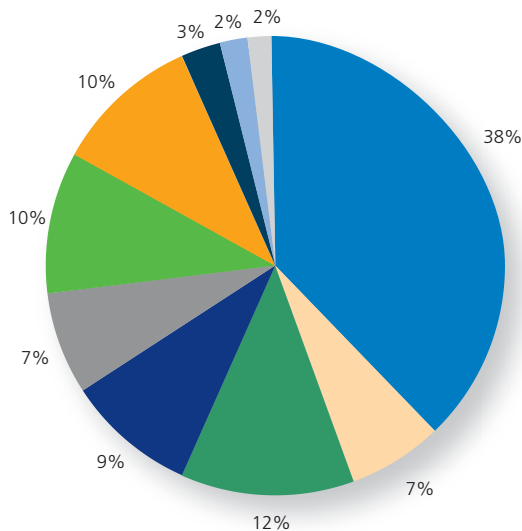
Kenneth Allister ACIS
 Lenard Creagh ACIS
 Robert McKinnon FCIS
 Danny Murphy ACIS
 Dorothy Walker ACIS

Overseas

Julian Lau Chi Cheong ACIS
 Colin Small FCIS
 John Spence ACIS
 Chui Ping Yuen ACIS

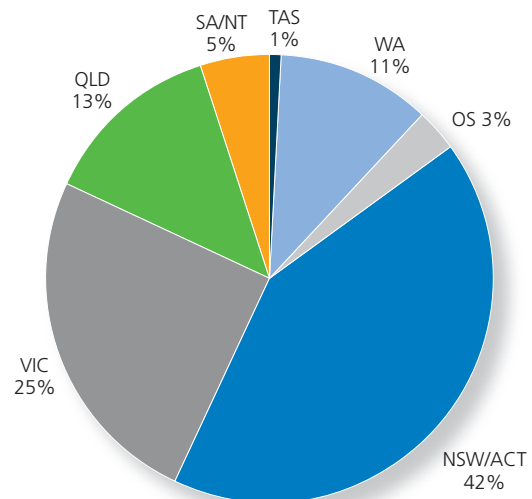
At year's end, Members and Affiliates totalled 7,953 as follows:

Diversity of professional responsibilities of Members and Affiliates



- Governance, risk management and compliance
- Taxation
- Accounting/finance and auditing
- Corporations law (including ASX Listing Rules)
- Insurance and superannuation
- Legal responsibility
- Workplace relations
- IT
- Intellectual property
- Property

Members and Affiliates by state



Corporate governance statement



The eight core principles of the ASX Corporate Governance Council's (ASXCGC) *Corporate Governance Principles and Recommendations (2nd edition)* apply to listed companies. Although CSA Ltd is not a listed company and does not have any obligations to report on these principles and recommendations, as the leading education and membership organisation committed to advancing good corporate governance, it is committed to report against these principles and recommendations.

During 2009, National Council and the CSA Ltd Board were consolidated, resulting in common membership of the two bodies' governance structures which improved efficiency and cost effectiveness.

As at 31 December 2009, and to the date of the signing of this report, the position of CSA Ltd is as follows:

Principle 1: Lay solid foundations for management and oversight

The CSA Ltd Board is required to report to the Committee for Australia, which we refer to as our National Council, which represents the Australian resident Members of ICSA. The directors' responsibilities include determining and reviewing the company's strategic direction and operational policies, establishing goals for management and monitoring the achievement of these goals, reviewing and approving the company's annual business plan, appointing, monitoring and rewarding the chief executive officer (CEO), recommending the appointment of the auditor to Members, approving the appointment and remuneration of all senior executive staff, approving all significant business transactions including acquisitions, divestments and capital expenditure, monitoring business risk exposures and risk management systems, approving and monitoring financial and other reporting and reporting to its Members in the form required by the Commonwealth of Australia *Corporations Act 2001* (the Act).

The board believes that its corporate governance practices should be indicative of good practice for an organisation of its type and, as far as possible, for corporations generally. The board, therefore, keeps all areas of CSA Ltd's governance under ongoing review, in order to provide leadership by example in this crucial area of corporate responsibility and management. It particularly monitors any area of business risk that is identified and ensures appropriate control strategies are in place and properly managed.

Induction days designed for newly appointed directors, senior executives and all newly appointed staff, are held as required. The induction kits contain comprehensive information in respect of all constitutional documentation, service agreements, reimbursement, travel, directors' and officers' insurance policies, risk management policies, strategic plans, the company's financial position, organisational charts of business and management structure, as well as the respective rights, duties and roles of the board and senior executives.

The induction process is designed to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.

Providing leadership to management is a priority of the board and is a key strategy within CSA Ltd's governance.

A strategic balance is maintained between the responsibilities of the board, the CEO and the Director, Finance & Administration (DFA).

The CEO is accountable to the board for the management of the company within the policy and authority levels prescribed in the company's business plan, which is reviewed and approved by the board each year.

The CEO has the authority to approve capital expenditure and business transactions within predetermined limits set by the board.

The CEO's specific responsibilities include ensuring business development activities are in accordance with the company's overall business strategy, ensuring the company conducts its affairs within the law and abides by the company's Code of Business Conduct and Ethics (a copy of which can be found on the CSA website) while keeping the board informed of all major business proposals and developments by way of specific reports and, within limits set by the board, approving the remuneration levels and bonus payments of all personnel.

The DFA is responsible for maintaining financial control across the company. In this role, the DFA is responsible for overall company management reporting, statutory accounting, compliance, auditing, treasury, taxation and insurance with specific responsibilities including the monitoring of financial performance and planning against the financial control guidelines which govern the allocation and management of financial resources throughout the company, ensuring that appropriate financial reporting is provided to the board on a monthly, quarterly and annual basis, and monitoring the company's risk management framework to ensure that established policies, guidelines and controls are implemented through a scheduled program of audits and reviews, the statutory compliance obligations are met and the investment policy strategy is implemented and maintained.

Arrangements put in place by the board to monitor the performance of the company's key executives include a review by the board of the company's financial performance and revised forecast results on a quarterly, half-yearly and annual basis. Detailed presentations are also made by the CEO and his direct reports during business planning/strategy review meetings, which are convened annually and held midyear over a two- to three-day period.

Compilation, agreement and regular performance management reviews between the CEO, direct reports and all other staff against job description and key performance indicators are established on an annual basis and are assessed at least biannually. The targets contained within the strategic plan are linked to the key performance indicators.

Senior executives and key management personnel and their total compensation are listed in the Annual Report.

The board and CEO support, in respect of a staff incentive and retention program, after having received appropriate reporting in respect of costs, being included and approved in the annual budget, authorise senior staff attendance at selected conferences (both domestic and international) and executive development training where appropriate; and in addition, on a discretionary basis, reimburse (upon successful completion) tertiary or postgraduate study to selected senior and middle level staff.

Additionally, independent research and surveys among all staff, the board and the CEO has been conducted a number of times with regard to the human relations, organisational culture and leadership practices of CSA in respect of team functioning, job satisfaction and general HR practices.



Principle 2: Structure the board to add value

The company presently has 12 non-executive directors. All directors are Members of CSA Ltd and are on the National Council. The names of the directors of the company in office at the date of this statement, including the duration of each director's tenure, are set out in the directors' report and notes to the financial statements. There are no executive directors.

In addition, the board has adopted a number of measures to ensure that independent judgment is achieved and maintained. Directors are entitled to seek independent professional advice at the company's expense, subject to the prior approval of the chairman and the company policy. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the board meeting before commencement of discussion on the topic. The board confers on a scheduled or regular basis without management in attendance.

The board is balanced in its composition with each current director bringing a range of complementary skills and experience to the company as indicated on pages 36–37 of the financial report in the Annual Report.

To assist the board in discharging its responsibilities, it has established a number of board committees including a Board Executive, Communication, Education, Remuneration and Risk, Audit and Finance Committee. The board liaises with the Nomination Committee of National Council in reviewing the composition, balance of skills, experience and competencies in the appointment of directors. Each of these committees has mandated operating procedures that are governed by their respective charters.

It is the board's policy that board committees may find it useful to consider being chaired by a non-executive director who is not the same person as the chairman of the board. It is also comprised solely of independent non-executive directors, who are entitled to obtain independent professional or other advice at the cost of the company as per the directors' access to professional advice policy and are entitled to obtain such resources and information from the company, including direct access to employees of and advisers to the company, as they may require.

The company's Chairman is considered by the board to be independent in terms of the ASXCGC's definition of independent director.

The company's Chairman and CEO have separate roles. The Chairman is responsible for leading the board in the discharge of its duties while the CEO is responsible for implementing the strategic plan of the entity.

The board has adopted a self-evaluation process to measure its own performance and the performance of its committees during each financial year. An annual review is presented to the Members at the AGM of National Council and National Council reviews the performance of its service agreement, as well as the composition and skills mix of the directors of CSA Ltd.

An independent Nomination Committee has been established by National Council, which is responsible for the appointment of directors to the board and liaises with and makes recommendations to the board regarding the membership of the board, including proposed new appointments.

The Company Secretary is accountable to the board, through the Chairman, on all governance matters, with all directors having access to that person, whose appointment and removal is a decision by the board as a whole. The Company Secretary supports the effectiveness of the board by monitoring that board policy and procedures are followed.

Principle 3: Promote ethical and responsible decision-making

It is the policy of CSA Ltd to conduct business according to the highest standards of honesty, integrity, respect and fairness when dealing with all its customers and employees. Employees are also required to meet these high standards.

The company takes seriously its obligations to comply with all federal, state and local government laws and regulations, as well as common law obligations, and again requires all employees to do the same as specified in the company's Code of Business Conduct and Ethics (see the CSA website, www.CSAust.com).

The company is a non-listed, not-for-profit company limited by guarantee under the Act and as such there is no trading in company securities.

The board has adopted a self-evaluation process to measure its own performance and the performance of its committees during each financial year.

CSA Ltd's objective is the promotion and advancement of effective governance and administration of organisations in the private and public sectors through the continued development and application of good corporate governance and administrative practice.

To ensure this occurs, the company conducts its business within the Code of Business Conduct and Ethics, documented and outlined in this statement and the company's core values, which are to:

- act with integrity and fairness
- recognise the needs of the Members
- protect the environment
- be commercially competitive
- foster a performance-driven culture
- encourage innovation and technological leadership.

Principle 4: Safeguard integrity in financial reporting

CSA Ltd's CEO and DFA report in writing to the directors, the Risk, Audit and Finance Committee and the auditors that the financial statements of CSA Ltd for the full financial year present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with the Australian Accounting Standards, applicable approved accounting standards and the appropriate disclosures of all information required by statute.

The board established an Audit Committee in 1999. During 2009 this was expanded to include the review and evaluation of the company's risk management and other financial functions, into its Charter. The membership of the committee consists of independent non-executive directors. Details of their attendance at committee meetings are set out in the Directors' report.

The principal functions of the Risk, Audit and Finance Committee are governed by its Charter. The objectives are to assist the board in the discharge of its responsibilities in respect of the preparation of the company's financial statements, by review and consideration thereof and the company's internal financial controls, recommend to the board nominees for appointment as external auditors in terms of the auditor rotation policy, review the scope of the audit, the level of audit fees and the performance of the external auditors, provide a line of communication between the board and the external auditors and examine the external auditors' evaluation of internal controls and management's response, risk management and other financial functions.



Principle 5: Make timely and balanced disclosure

The company is not a listed company and is not subject to ASX Listing Rules disclosure requirements. The company does, however, report to its Members in the form required by the Act and discloses significant information on a continuous basis as detailed in Principle 6 below.

Principle 6: Respect the rights of shareholders

The company does not have shareholders but has Members. The company's Member communication policy advocates communication with Members and other stakeholders in an open, regular and timely manner so that Members have sufficient information to make informed decisions on the operations and results of the company. The policy provides for the use of systems involving communiqués and technologies that ensure a regular and timely release of information about the company to Members. Mechanisms employed include:

- regular Member communications such as the monthly journal, *Keeping good companies*, incorporating the President's Commentary, CEO comments in the column 'Acting for You', the ICSA International article, CSA Members' Benefits column and Professional Development calendar



- the Annual and Full Financial Report, circulated to all Members prior to the company's annual general meeting (AGM) according to their choice, and notice given of its availability on the CSA website
- providing information about the last five years' Annual Reports and financial data on the website
- placing the full text of notices of meeting and explanatory material on the website
- Member access to communications through the use of information technology such as the monthly e-newsletter, *CSA news update*, and CSA website.

The board encourages full participation of Members at the company's AGM to ensure a high level of accountability and understanding of the company's strategy and goals. Important issues are presented to Members as single resolutions. Members are encouraged to appoint proxies to express their views at the AGM by directing their proxies by marking the appropriate boxes on the Best Practice Proxy Form.

The board also presents an annual Year in Review Report to the Members at the AGM of National Council, held at the National Conference.

CSA Ltd's practice is to ensure the company's external auditor attends the AGM and is available to answer Members' questions.



Principle 7: Recognise and manage risk

The board is responsible for the oversight of the company's risk management and control framework. Major exposures for the company stem from CSA Ltd's business risk profile, which covers areas including operational, reputation, regulatory, contractual, financial, information and strategic risk.

The company has implemented a risk management policy framework, including a risk register, designed to ensure that the company's material business risks are identified, analysed, evaluated, treated and that controls are adequate, in place and functioning effectively. This framework incorporates the maintenance of comprehensive policies, procedures and guidelines. It covers areas such as the Chief Executive's office, Finance and Administration, Education and Training, Membership, Policy, Publishing and state offices.

Responsibility for control and risk management is delegated to the appropriate level of management within the company with the CEO having ultimate responsibility to the board for the risk management and control framework.

Arrangements put in place by the board to monitor risk management include regular reporting to the board in respect of operations and the financial position of the company, reports by the Chairman of the Risk, Audit and Finance Committee and circulation to the board of the minutes of each meeting held by the Risk, Audit and Finance Committee, attendance and reports by the internal directors of the company's main business units at board meetings on at least an annual basis and presentations made to the board or committees of the board throughout the year by appropriate members of the company's management team (and/or independent advisers, where necessary) on the nature of particular risks and details of the measures which are either in place or can be adopted to manage or mitigate the risk.

In addition, annual peer reviews are undertaken by the senior management in respect of their areas of responsibility, to ensure that all business risks and mitigating strategies in respect of the risk register, are updated as a result of changing business strategies.

All staff are inducted or updated with the risk management policies and risk register components.

CSA Ltd's CEO and DFA report in writing to the directors and the external auditors that the statement given in accordance with s 295A of the Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board and the company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Principle 8: Remunerate fairly and responsibly

As the company is not a listed company, does not have shares or shareholders (only Members) there are no equity-based remuneration payments or schemes made which involve the issue of new shares.

A program of regular performance appraisals and objective setting for senior management and other staff is in place.

The board established a Remuneration and Appointments Committee in 1999. At the present time the Remuneration Committee comprises the Board Executive and past President, whose principal functions include reviewing and approving the remuneration of the CEO and senior executives of the company, reviewing and making recommendations to the board regarding the remuneration policies and practices for the company generally, including participation in the incentive plan and other benefits.

Directors do not receive remuneration for services as directors, but a director is entitled to be paid all travelling and other expenses properly incurred by that director in connection with the affairs of the company, including attending and returning from general meetings, meetings of the directors or of committees of directors or other committees of the company, meetings of National Council and of ICSA, or any of its committees, bodies or activities. The company may advance money to a director for any such purpose, which must be appropriately accounted for, and any balance refunded.

No other directors of CSA Ltd, during or since the end of the financial year, received or has become entitled to receive a benefit by reason of a contract made by CSA Ltd or of a related body corporate with one of the directors or with a firm of which they are a member or with a company in which they have a substantial financial interest, other than as disclosed in related party transactions at Notes 6 and 15 of the Financial Statements.

CSA Ltd being limited by guarantee, none of the directors holds an interest but each, as a Member of CSA Ltd, is liable to the extent of their undertaking under CSA Ltd's constitution.

CSA Ltd pays premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of CSA Ltd other than conduct involving a wilful breach of duty in relation to CSA Ltd.

Premiums were paid for each of the directors as specified in Note 6 to the Financial Statements on pages 36–37 of the financial report. The insurance contract entered into by CSA Ltd prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

The CSA Ltd constitution allows for the inclusion of indemnities in favour of persons who are or have been a director or officer of CSA Ltd. To the extent permitted by law, CSA Ltd indemnifies every person who is or has been a director or officer against any liability to any person incurred while acting in that capacity in good faith and against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy.

Directors do not receive remuneration for services as directors, but a director is entitled to be paid all travelling and other expenses properly incurred by that director in connection with the affairs of the company.



Directors' report

Your directors present this report on the company for the financial year ended 31 December 2009.

Statutory details of the directors are given in Note 6 to the financial statements on pages 36–37.

Activities

The principal activities of CSA Ltd during the year were to promote and advance the efficient governance, management and administration of commerce, industry and public affairs by the continued development of the study and practice of governance, management, administration and secretaryship of companies and other bodies in the regulated environment.

There was no significant change in the nature of those activities during the year. The company's financial report has been prepared in accordance with Australian Accounting Standards which include the Australian equivalent to International Financial Reporting Standards (AIFRS).

Financial results

An operating surplus from ordinary activities of \$533,563 was made for the year after providing for income tax and a refund of payroll tax amounting to \$609,430. Had this recovery not occurred, a deficit of \$80,377 would have been reported.

The surplus attributable to Members amounting to \$529,053 was made after allowing for a net loss on disposal of assets amounting to \$4,510.

Accumulated funds at year end totalled \$4,443,150.



Left to right: Alan Evans FCS, Andrew Horne FCS, Conley Manifis FCS, Chris Wells FCS, Wendy Wills FCS, Douglas Gratton FCS, Peter Turnbull FCS, Nick Geddes FCS, Ross Mallett FCS, Trisha Mok FCS, Bill te Kloot FCS and Frank Bush FCS.

Dividends

Being limited by guarantee, CSA Ltd does not pay dividends.

Review of operations

Revenue for the year primarily came from subscriptions of \$2,292,555; education fees of \$2,316,710; training, events and publications of \$1,783,246; sponsorship of \$460,309; investment income of \$85,502; and other income for services of \$75,021.

Expenditure for the year was primarily on direct costs for training, events and publications of \$898,980; direct costs for education courses of \$737,644;

profile-raising activities and website maintenance of \$417,757; international activities of \$217,553; and governance and administration of \$4,207,846.

The directors would like to draw attention to the recovery of \$609,430 of payroll related costs that were received during the year. The company became exempt from the payment of payroll tax in NSW under the provisions of Schedule 2 Division 4 Clause 12(1)(c) of the *Payroll Tax Act 2007* (NSW). The exemption was retrospectively applied from 9 October 2000. Recalculation of payroll tax in other states due to exempt salary and wages in NSW resulted in a further refund as indicated in note 1(f).

Likely developments

Likely developments in the operations of CSA Ltd and the expected results of those operations in future financial years have not been included in this report but are disclosed in the Chairman and CEO report on pages 4–5.

Environmental regulations

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

Events subsequent to balance date

There are no matters or circumstances that have arisen since the end of the financial year which would significantly affect the operations of the entity in subsequent financial years.

Continuing members of the Board of CSA Ltd are Frank Bush FCIS, Alan Evans FCIS, Nick Geddes FCIS, Douglas Gration FCIS, Andrew Horne FCIS, Ross Mallett FCIS, Conley Manifis FCIS, Trisha Mok FCIS, Bill te Kloot FCIS, Peter Turnbull FCIS, Chris Wells FCIS and Wendy Wills FCIS.

Auditor's indemnification

CSA Ltd has not, during or since the financial year, in respect of any person who is or has been an auditor of CSA Ltd or a related body corporate, indemnified

or made any relevant agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

Directors' interests and benefits

CSA Ltd being limited by guarantee, none of the directors holds an interest but each, as a member of CSA Ltd, is liable to the extent of their undertaking under CSA Ltd's constitution.

During or since the financial year, CSA Ltd has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal

proceedings arising out of their conduct while acting in the capacity of director of CSA Ltd other than conduct involving a wilful breach of duty in relation to CSA Ltd. Premiums were paid for each of the directors as indicated in Note 6 to the Financial Statements on pages 36–37. The insurance contract entered into by CSA Ltd prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

The CSA Ltd constitution allows for the inclusion of indemnities in favour of persons who are or have been a director or officer of CSA Ltd. To the extent permitted by law, CSA Ltd indemnifies every person who is or has been a director or officer against any liability to any person incurred while acting in that capacity in good faith, and against costs and expenses incurred by that person in

Attendance at directors' meetings

During 2009 attendance by individual directors (including when represented by alternates) at meetings they were entitled to attend, was as follows.

	Board of Directors	Risk, Audit & Finance Committee	Remuneration Committee
Peter Turnbull	8 of 8		14 of 14
Frank Bush	8 of 8		
Alan Evans	5 of 5		
Nick Geddes	8 of 8	4 of 4	14 of 14
Douglas Gration	8 of 8		13 of 14
Bill Hundy	4 of 5		
Ross Mallett	6 of 8		
Conley Manifis	5 of 5	3 of 4	
Trisha Mok	5 of 5		
Rob Nankervis	3 of 3	3 of 4	
Adrienne Parkinson	3 of 3	4 of 4	
Bill te Kloot	5 of 5	4 of 4	
Chris Wells	8 of 8		14 of 14
Wendy Wills	4 of 5		
Bernie Yates	6 of 8		

that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy.

Payments to the directors and to entities from which the directors may benefit for services by the directors or entities are disclosed in Note 6 to the Financial Statements on pages 36–37.

No other directors of CSA Ltd, during or since the end of the financial year, received or have become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial report or the fixed salary of a full-time employee of CSA Ltd or of a related body corporate) by reason of a

contract made by CSA Ltd or of a related body corporate with one of the directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

Proceedings on behalf of the company

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

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

Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2009 has been received and can be found on page 44.

On behalf of the board by resolution of the directors, as signed above.

SYDNEY 13 March 2010

Directors' signatures

Peter Turnbull FCIS
Chairman

Douglas Gration FCIS
Director

Bill te Kloot FCIS
Director

Nick Geddes FCIS
Director

Chris Wells FCIS
Director

Ross Mallett FCIS
Director

Frank Bush FCIS
Director

Alan Evans FCIS
Director

Andrew Horne FCIS
Director

Conley Manifis FCIS
Director

Trisha Mok FCIS
Director

Wendy Wills FCIS
Director

Financial report

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2009

	Note	2009 \$	2008 \$
Revenue	2	7,013,343	7,152,452
Expenses			
Depreciation	3	(232,624)	(221,357)
Other expenses	3	(6,856,586)	(6,880,552)
Refund of payroll tax	1(f), 3	609,430	–
Surplus before income tax expense		533,563	50,544
Income tax expense	1(d)	–	–
Surplus after income tax		533,563	50,544
Net (loss) / gain on disposal of asset	3	(4,510)	1,170
Surplus attributable to Members		529,053	51,714
Other comprehensive income for the year		–	–
Total comprehensive income for the year attributable to Members		529,053	51,714

STATEMENT OF FINANCIAL POSITION

as at 31 December 2009

	Note	2009 \$	2008 \$
Current assets			
Cash and cash equivalents	7	2,783,045	2,008,748
Trade and other receivables	8	103,437	87,261
Other	9	145,613	163,777
Total current assets		3,032,095	2,259,786
Non-current assets			
Property, plant and equipment	10	3,900,416	3,786,930
Total non-current assets		3,900,416	3,786,930
Total assets		6,932,511	6,046,716
Current liabilities			
Trade and other payables	11	618,202	549,199
Deferred revenue	12	1,490,281	1,280,216
Provisions	13(a)	304,128	154,172
Total current liabilities		2,412,611	1,983,587
Non-current liabilities			
Provisions	13(b)	76,750	149,032
Total non-current liabilities		76,750	149,032
Total liabilities		2,489,361	2,132,619
Net assets		4,443,150	3,914,097
Members' funds			
Reserves	4	763,033	763,033
Retained surplus	5	3,680,117	3,151,064
Total Members' funds		4,443,150	3,914,097

STATEMENT OF CHANGES IN MEMBERS' FUNDS

for the year ended 31 December 2009

	Note	2009 \$	2008 \$
OPENING BALANCE		3,914,097	3,862,383
Transfer net (loss) / gain on disposal of asset	3	(4,510)	1,170
Surplus recognised directly in Members' funds		(4,510)	1,170
Surplus from ordinary activities		533,563	50,544
Total recognised income and expenses for the year attributable to the Members	5	529,053	51,714
CLOSING BALANCE		4,443,150	3,914,097

STATEMENT OF CASH FLOWS

for the year ended 31 December 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Subscriptions received		2,622,950	2,650,458
Receipts from courses and other activities		4,956,346	4,935,944
Payments to suppliers and employees		(6,420,159)	(7,057,105)
Interest received		84,176	138,954
GST paid		(124,231)	(175,707)
Net cash provided by operating activities	17(b)	1,119,082	492,544
Cash flows from investing activities			
Payments for property, plant and equipment		(346,111)	(30,338)
Net cash used in investing activities		(346,111)	(30,338)
Net increase in cash held		772,971	462,206
Cash and cash equivalents at beginning of year		2,010,074	1,547,868
Cash and cash equivalents at end of year	17(a)	2,783,045	2,010,074

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

1 Statement of significant accounting policies

This financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS) applicable for not-for-profit entities. A statement of compliance with International Financial Reporting Standards cannot be made due to CSA Ltd applying the not-for-profit sector specific requirements contained in AIFRS.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Company structure

CSA Ltd is an incorporated company limited by guarantee. In the event of CSA Ltd being wound up, the liability of each Member, or each former Member who ceased to be a Member within a year of CSA Ltd being wound up, is limited to an amount not exceeding one hundred dollars. As CSA Ltd is limited by guarantee, there is no reference in the statement of financial position to share capital or shareholders' equity.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment in value.

Property

The strata entitlement to Level 10, 5 Hunter Street, Sydney, is revalued on an annual basis with reference to market value as this accurately reflects the future economic benefits embodied in the asset. The carrying values of the strata entitlement are depreciated in accordance with this policy and AASB 116. During the current period, the directors reassessed the likely residual value, and are of the opinion that depreciation should be charged over the useful life of the asset. The estimated useful life is 75 years. For the purpose of determining the depreciation of the building, any increase in the valuation is notionally attributable to the land value. Details of revaluations are disclosed in Note 10.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation. The carrying amount of plant and equipment is reviewed annually by CSA Ltd to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis over the useful lives of the assets to CSA Ltd, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Building — strata entitlement	1.33%
Strata and leasehold improvements	20.00%
Computer systems, furniture and office equipment	10%–33.33%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(d) Income tax

CSA Ltd is for income tax purposes endorsed as a charitable institution. Its income is therefore exempt from income tax under Subdivision 50-B of the *Income Tax Assessment Act 1997*.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position. Cash flows in the Statement of Cash Flows are included on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

(f) Payroll tax

During the year, the Company became exempt from the payment of payroll tax in NSW under the provisions of Schedule 2 Division 4 Clause 12(1)(c) of the *Payroll Tax Act 2007* (NSW). This

exemption was applicable retrospectively from 9 October 2000 and a \$503,048 refund of payroll tax was received. Recalculation of payroll tax in other states due to exempt salary and wages in NSW resulted in a further refund of \$106,382.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

(h) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year of the balance date have been measured at the amounts expected to be paid when the liabilities are settled. Employee benefits expected to be settled more than one year from the balance date have been measured at the present value of future payments expected to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departure and periods of service. Expected future payments are discounted to their net present value using an estimate of market yields at the balance date on professional markets investments.

(i) Revenue recognition

Revenue represents income earned from membership subscriptions and the provision of related services. Membership subscription revenue is recognised as and when received. Revenue from the provision of other services is recognised upon the delivery of the service to Members/customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of GST.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through surplus or deficit' in which case transaction costs are expensed to surplus or deficit immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged or cancelled, or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the statement of comprehensive income.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except those which are not expected to mature within twelve months after reporting date, which will be classified as non-current assets.

(ii) Held to maturity investments

Held-to-maturity investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date, which will be classified as current assets.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(k) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at reporting date.

(m) Trusts

The Institute Trust and The Institute No 2 Trust were established in 1993 to accept gifts and bequests from Members and others. The John Goffage Fund is separate from these two trusts and is administered under the direction of the benefactor and the Queensland State Council.

Estate Late Leonard Chant:

In terms of the will of Leonard Chant, following the death of the last life tenant, a one-fifth share of the estate has been left to CSA Ltd to set up a trust to pay scholarships tenable overseas for advancement of training in secretarial and administrative knowledge to immediate post-graduate candidates of the Institute's examination.

The appropriate trust is in the process of being formed, subject to the approval of a *cy pres* scheme.

The financial statements of trust funds are not consolidated with those of CSA Ltd because the company does not have direct control over them, but are shown in Note 18.

(n) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current year.

(o) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(p) Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the transaction of monetary items are recognised in the statement of comprehensive income.

(q) Trade and other payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Deferred revenue represents revenue received in advance which is not entitled to be recognised in the current period.

(r) Adoption of new and revised Accounting Standards

During the current year, the company has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards has affected the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of the company.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement (the statement of comprehensive income), or two statements (a separate statement of comprehensive income and income statement). The previous version of AASB 101 required only the presentation of the single income statement. The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduced the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in surplus and deficit as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(s) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the company is as follows:

AASB1: First time Adoption of Australian Accounting Standards (applicable for annual reporting periods commencing from 1 July 2009)

The structure of this Standard has been amended for ease of use and as it applies only on first-time adoption of Australian equivalents to International Financial Reporting Standards, it is not expected to affect the company.

A number of Australian Accounting Standards have been issued or amended which are not yet effective and have not been adopted in preparation of the financial statements at the reporting date. They are not expected to affect the company in future years.

	2009 \$	2008 \$
2 Revenue		
Operating activities		
Member and Affiliate subscriptions	2,292,555	2,311,482
Education	2,316,710	2,243,438
Training and events	1,752,435	1,796,821
Sponsorship	460,309	533,404
Interest	85,502	143,322
Other Income	75,021	101,222
Publications, journal and merchandise	30,811	22,763
Total revenue	7,013,343	7,152,452
3 Surplus from ordinary activities		
Surplus from ordinary activities is stated before income tax expense has been determined, after charging:		
Expenses		
Depreciation and amortisation of non-current assets		
Building	16,864	16,864
Plant and equipment	145,757	162,177
Leasehold improvements	70,003	42,315
Total depreciation and amortisation of non-current assets	232,624	221,356
Personnel	3,293,315	3,216,885
ICSA, UK — capitation fee	154,953	131,890
Rental expenses on operating leases	282,226	225,792
Occupancy and state facilities	142,712	135,942
Auditor's remuneration		
Audit	22,000	21,000
Other services	3,692	1,562
Other expenses from ordinary activities	2,957,688	3,147,481
Total other expenses	6,856,586	6,880,553
Refund of payroll tax as specified in Note 1(f)	(609,430)	–
Expenses from non-operating activities		
Net (loss) / gain on sale of other assets	(4,510)	1,170
4 Reserves		
Capital surplus reserve	745,933	745,933
Works of art revaluation reserve	17,100	17,100
	763,033	763,033
5 Retained surplus		
Retained surplus at beginning of the year	3,151,064	3,099,350
Surplus for the year	529,053	51,714
Retained surplus at the end of the year	3,680,117	3,151,064

6 Key management personnel compensation

Key management personnel

The names of the Directors who held office during the year and to the date of the signing of this report are:

Frank Bush FCIS, SF Fin, Solicitor (appointed 1.1.09) — Experienced in company secretarial practice and governance, corporate finance and corporate law. Former Group Secretary of GIO Australia Holdings Ltd (1992–1999) and Aristocrat Leisure Ltd (1999–2004) and now consultant in corporate governance and company secretarial practice. Past Australian Division President (2003). Appointed Vice-President of ICSA Council for 2007–2008 and President for 2009–2010.

Alan Evans BBus (Law), FCIS, MAICD (appointed 4.6.09) — General Manager Corporate Governance and Corporation Secretary for Hydro Tasmania for the last five years. A corporate governance and secretarial practice and law professional, he has over 25 years of practical international experience at executive level and as an executive and non-executive director on boards of Australian, USA and European companies. Alan has lectured in corporate governance, secretarial practice and law.

Nick Geddes FCIS, FCA (appointed 1.1.09) — Founder and principal of Australian Company Secretaries, a company secretarial practice providing the full spectrum of company secretarial services to medium and small ASX-listed companies. Previous experience in auditing, financial management, development and investment banking in Australia and overseas.

Douglas Gratton BSc, LLB (Hons), FCIS (appointed 1.1.09) — Experienced in company secretarial practice and corporate governance, corporate law and compliance. Company Secretary Telstra Corporation Limited 2001–2007. Barrister practising at the Victorian Bar.

Clair Hodge BCom, LLB, FCIS, GAICD (appointed 6.2.07 – 31.12.08) — Experienced in company secretarial practice and corporate governance, senior corporate lawyer with additional responsibility for insurance and risk management. General Counsel and Company Secretary, Sydney Airport Group. Previous experience in accounting, internal audit and contract management.

Andrew Horne LLB, FCIS Solicitor (appointed 21.1.10) — Experienced in company secretarial practice, corporate law, risk management and compliance. General Counsel and Group Company Secretary of ASX listed Thakral Holdings Limited since 1994. Previously Company Secretary and Legal Counsel of Tooth and Co Limited. Course Director and Subject Advisory Committee for the Corporate Accountability: Meetings and Disclosure Module of the CSA Graduate Diploma program since February 2008, member of the NSW Council since February 2007.

Bill Hundy BCom, LLB, FCIS (appointed 4.6.09 – 31.12.09) — Experienced in company secretarial practice, corporate governance, corporate law, insurance and compliance, Company Secretary of Origin Energy Limited 2001–2010 and former Company Secretary of Placer Pacific Limited 1986–1996, Email Limited 1997–2001. Admitted a Solicitor of Supreme Court of NSW 1982.

Ross Mallett BBus, JD, FCIS, FCPA (appointed 15.1.08) — Experienced in company secretarial practice and corporate governance, corporate law, compliance and risk management in the resources sector and agriculture sector. Company Secretary of Elders Ltd (2008–2010) and former Deputy Company Secretary of BHP Billiton Ltd (2005–2007) and WMC Resources Ltd (1990–2005). Australian Division President, 2007.

Conley Manifis BCom, Grad Dip CSP, FCIS, CA (appointed 4.6.09) — Experienced in audit, financial reporting and governance. Currently an audit partner with PKF Chartered Accountants and Business Advisors, Western Australian Partnership.

Robert McLachlan FCIS, MRSA (appointed 12.3.01 – 31.12.08) — Experienced in company secretarial practice, financial and general management, acquisitions, strategic planning, risk management and corporate governance including Sarbanes-Oxley compliance. CFO of Specialist Communication Group of Companies within STW Ltd, Chairman of the CSA Board of Directors 1.1.04 – 31.12.05.

Trisha Mok BCom, LLB(Hons), Grad Dip ACG, FCIS (appointed 4.6.09) — A governance professional experienced in company secretarial practice, corporate governance, corporate law, compliance and intellectual property law in the information technology and media sectors. Currently Director of Legal and Commercial Affairs (Asia Pacific) at Spendivision.

Robert Nankervis BBus (Acc), Grad Dip (Bus Mgt), FCIS, CPA, FAICD (appointed 1.3.01 – 12.05.09) - Experienced in financial systems, accounting and management. Principal Consultant, Oppeus Pty Ltd. Chairman of the CSA Board of Directors 1.1.06 – 31.12.07.

Adrienne Parkinson BBus (Acc), MLS, DipCM, DipFP, FCIS, FCPA (appointed 1.1.04 – 12.5.09) — A governance professional experienced in company secretarial practice, corporate governance, scheme compliance and risk management in the financial services and property sectors. General Manager, Governance Mirvac Investment Management, a division of Mirvac Group. Chairman of the CSA Board of Directors, 2008.

Bill te Kloot MA, BCom, FCIS, FAICD, Cdec (appointed 4.6.09) — A governance professional experienced in company secretarial practice, corporate governance, and risk management, company secretary of a number of private companies, and a director of several private companies. Formerly Company Secretary of Vita Group Limited.

Peter Turnbull BCom, LLB, FCIS, FAICD (appointed 1.1.09) — Experienced in company secretarial practice, corporate governance, corporate law, audit, risk management and compliance. Former Company Secretary and/or General Counsel of large listed public companies including BTR Nylex, Newcrest Mining and Energex. Currently a director of a number of private companies.

Christopher Wells JP, MPub Admin, FCIS, FAICD (appointed 1.1.09) — Experienced in high-level public sector management and project management in the Tasmanian State Government and previous experience in the banking industry. Australian Division President, 2008.

Wendy Wills BEC, MBA, FCIS, FAICD, FCPA (appointed 4.6.09) — Experienced in governance, financial management, risk and compliance in the not-for-profit and education sectors. Currently Business Director at Pembroke School, South Australia with previous experience in multimedia, government, finance and consulting.

Bernard Yates BCom, FCIS, FCA (appointed 15.1.08 – 31.12.09) — The Company Secretary and Corporate Governance Compliance Officer of West Australian Newspapers Holdings Limited for 14 years (now retired), he has previous experience in auditing, financial management, investment banking and project management.

Directors, other than those listed on the following page, do not receive any income from the entity for their services as directors.

	2009 \$	2008 \$
For presentations at education courses, training programs, exam moderation and author fees		
Frank Bush	4,225	4,534
Clair Hodge	–	450
Bill Hundy	150	–
Ross Mallett	–	550
Conley Manifis	250	–
Robert McLachlan	981	200
Bill te Kloot	500	–
	6,106	5,734

Other key management personnel

Irene Booth (Director, Education and Training) appointed 29.1.08.

Judith Fox (Director, Policy)

Stan Jodeikin (Director, Finance and Administration)

John Nelson (Director, Education and Training) retired 21.3.08.

Tim Sheehy (Chief Executive Officer)

Christine Simmons (Director, Marketing & Membership Services) resigned 2.5.08.

Marc Wanstall (Director, Marketing & Membership Services) appointed 11.8.08.

	2009 \$	2008 \$
Salary and superannuation contributions	857,875	761,698
Bonus	89,340	79,850
Long service leave provision	169,174	144,396
Total compensation	1,116,389	985,944
7 Cash and cash equivalents		
Cash on hand	1,584	7,160
Cash at bank	832,502	472,775
Cash on deposit	1,948,959	1,530,139
	2,783,045	2,010,074
Unearned interest	–	(1,326)
Total cash and cash equivalents	2,783,045	2,008,748
8 Trade and other receivables		
Current		
Trade debtors	103,437	87,261
Total trade and other receivables	103,437	87,261
There is no impairment or significant credit risk with any debtor balance.		
9 Other assets		
Current		
Prepayments	145,613	163,777

	2009 \$	2008 \$
10 Property, plant and equipment		
Non-current		
Building		
Strata entitlement at directors' valuation — Hunter Street, Sydney	3,100,000	3,100,000
Leasehold improvements	624,549	326,738
Less: accumulated depreciation and amortisation	(348,064)	(272,119)
	3,376,485	3,154,619
Computer system, furniture and office equipment at cost		
Less: accumulated depreciation	(924,100)	(813,225)
	499,104	607,484
Works of art at valuation		
	24,827	24,827
Total property, plant and equipment	3,900,416	3,786,930

The company has entered into contracts for leasehold premises in Melbourne amounting to \$212,207 (net after landlord's incentives) of which \$4,185 has been included in prepayments as specified in note 9.

For the strata entitlements, the board policy, recognising statutory requirements for Statement of Financial Position valuations, is that a valuation at current market value be obtained from a registered valuer at three-yearly intervals, an opinion based on that valuation be obtained for each intervening year and, based on the most recent valuation or opinion, that directors determine a value as at 31 December each year.

Strata entitlement at Level 10, 5 Hunter Street, Sydney: purchased on 12 October 2004, the directors have determined that the value of \$3,100,000 which was the cost of purchase be retained, as the difference between the cost and current valuation is not regarded as material. This is supported by a valuation report dated 18 February 2009 based on an inspection of the property on 27 January 2009, prepared by George Paton FAPI, FRICS, FREI, AIAMA, Certified Practising Valuer, Registered Valuer No 1212 and Director of Chesterton International (NSW) Pty Ltd., for an amount of \$3,600,000. The directors believe that there was no indication of impairment of the asset carrying value as at 31 December 2009.

The strata entitlement is encumbered by a registered first mortgage as detailed in Note 19(d).

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Property and leasehold improvements \$	Computer systems, furniture and office equipment \$	Works of art \$	Total \$
Balance at beginning of year	3,154,618	607,484	24,827	3,786,929
Additions	308,734	37,377	–	346,111
Depreciation expense	(86,867)	(145,757)	–	(232,624)
Carrying amount at end of the year	3,376,485	499,104	24,827	3,900,416

	2009 \$	2008 \$
11 Trade and other payables		
Current		
Trade creditors and accruals	393,017	331,538
Net GST liability	84,702	58,422
Accrued ICSA capitation fee	34,503	48,304
Payroll and PAYG tax payable	98,328	100,383
Fringe benefits tax payable	7,652	10,552
	618,202	549,199
12 Deferred revenue		
Subscriptions and fees in advance	1,490,281	1,280,216
13 Provisions		
(a) Current		
Provision for annual leave	157,912	128,757
Provision for long service leave	146,216	25,415
	304,128	154,172
(b) Non-current		
Provision for long service leave	76,750	149,032
	76,750	149,032
Average number of full-time equivalent employees	33.3	32.8
14 Leasing commitments		
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Being for premises		
Payable: Not later than one year	344,374	259,710
Later than one but not later than five years	1,741,490	1,265,648
Later than five years	281,023	220,013
	2,366,887	1,745,371
15 Related party disclosures		
Transactions with related parties		
Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.		
(i) ICSA, United Kingdom: under the terms of an operating agreement with ICSA, CSA Ltd remits an administration fee based on the number of Australian Members and students registered with ICSA as at 31 July each year to meet the expenses of the International Institute.		
In order to restrict exposure to foreign currency fluctuations while meeting its obligation to ICSA, CSA Ltd has opened an Australian bank account denominated in pounds sterling which is used to remit the administration fees to ICSA. As at balance date, an unrealised foreign exchange translation loss of \$4,953 had been included in the administration fee.		
These payments amounted to:	154,953	131,890
	154,953	131,890
(ii) Australian Company Secretaries Pty Ltd, a company controlled by Nick Geddes, has contracted with ICSA Software International Limited, a company owned by ICSA, to provide certain administrative functions in Australia, receiving an amount of:	4,714	1,818
	4,714	1,818

	2009 \$	2008 \$
16 Segment reporting		
CSA Ltd operates as a professional association providing education and promotion of the advancement of effective governance and administration of organisations in the private and public sectors, for Members and applicants for membership and for the public. These operations are in Australia and the revenue from operations is as disclosed in Note 2.		
17 Cash flow information		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows.		
Cash at bank and on hand	834,086	479,936
Cash on deposit	1,948,959	1,530,138
	2,783,045	2,010,074
(b) Reconciliation of cash flow from operations with surplus from ordinary activities after income tax		
Net surplus from ordinary activities after income tax	529,053	51,714
Non-cash flows in surplus from ordinary activities		
Depreciation and amortisation	232,624	221,356
Change in assets and liabilities		
(Increase) / decrease in trade and other receivables	(16,176)	2,814
Decrease / (increase) in other current assets	18,164	(21,516)
Increase in trade and other payables	69,003	26,843
(Decrease) in unearned interest	(1,326)	(4,368)
Increase in deferred revenue	210,065	96,425
Increase in provisions	77,675	119,276
Net cash provided by operating activities	1,119,082	492,544
18 Trust funds		
Statement of Financial Position		
Estate Late Leonard Chant	1,021,650	1,033,552
The Institute Trusts	67,026	65,628
John Goffage Fund	–	409
	1,088,676	1,099,589
Represented by		
Current assets		
Cash at bank and on deposit	1,088,676	1,099,589
Statement of Comprehensive Income		
Income		
Interest — Bequest from Estate Late Leonard Chant	37,210	69,177
Interest — Other trust funds	1,476	3,747
	38,686	72,924
Expenditure		
Legal fees and charges	(49,190)	(71,269)
Prizes	(409)	(368)
Available trust funds	(10,913)	1,287
Opening balance	1,099,589	1,098,302
Trust funds balance at end of year	1,088,676	1,099,589

	2009 \$	2008 \$
19 Financial risk management		
The company's financial instruments consist of deposits with banks, accounts receivable and payable, bills and leases.		
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:		
Financial assets		
Cash and cash equivalents	2,783,045	2,008,748
Trade and other receivables	103,437	87,261
	2,886,482	2,096,009
Financial liabilities		
Financial liabilities at amortised costs:		
Trade and other payables	618,202	549,199
	618,202	549,199

Financial risk management objectives and policies

CSA Ltd's financial instruments consist principally of accounts receivable, accounts payable, cash and short duration bank term deposits and bills of exchange. The purpose of these financial instruments is to maintain financial prudence of the funds and to contribute any surplus earnings towards the company's operations.

Financial risk exposures and management

The main risks that the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(a) Net fair values

The carrying amount of bank deposits, prepayments, accounts payable and accounts receivable approximate fair value. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements. There is no difference noted between fair values and carrying values of financial instruments.

(b) Interest rate risk

The company's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities.

The company's exposure to market interest rates primarily relates to its cash and cash equivalents.

At balance date, the company had following financial assets exposed to Australian variable interest rate risk.

	2009 \$	2008 \$
Financial assets		
Cash and cash equivalents	2,783,045	2,008,748

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance date. If the interest rates had moved, with other variables held constant, post-tax surplus would have been affected as follows:

	Post-tax surplus Higher/(lower)	
	2009 \$	2008 \$
+1% (100 basis points)	27,830	20,087
-1% (100 basis points)	(27,830)	(20,087)

The movements in surplus are due to higher/lower interest income from cash balances.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(d) **Financial facility**

The company has a \$310,000 facility for the issue of bank guarantees which is secured by a registered first mortgage over the strata entitlement as detailed in Note 10.

(e) **Price risk**

The company is not exposed to any material commodity price risk.

(f) **Foreign currency risk**

The company seeks to mitigate the effects of foreign currency exposure by purchasing pounds sterling (GBP) and holding them in an Australian bank account denominated in GBP until it pays its obligations to ICSA UK.

The following sensitivity analysis is based on foreign currency risk exposure in existence at balance date.

	2009	2008
	\$	\$
Cash balance of GBP at year end	245,499	154,514

	Post-tax surplus	
	Higher/(lower)	
	2009	2008
	\$	\$
AUD/GBP+5%	12,275	7,726
AUD/GBP-5%	(12,275)	(7,726)

(g) **Liquidity risk**

The company manages liquidity risk by monitoring forecast cash flows and ensuring that liquidity risk arising from the company's financial liabilities is minimised so that it will meet its obligations to repay the financial liabilities as and when they fall due.

To help reduce these risks, CSA Ltd has a liquidity policy in place which requires minimum average levels of cash and cash equivalents to be maintained.

Trade and other financial liabilities mainly originate from financing of assets used in the company's ongoing operations. These are summarised in the table below and represent the company's total liquidity risk.

Year ended 31 December 2009	Less than 1 year \$	1-5 years \$	Non-interest bearing \$	Total \$	Weighted average %
Financial assets					
Cash and cash equivalents	2,783,045	-	-	2,783,045	3.63
Trade and other receivables	-	-	103,437	103,437	
	2,783,045	-	103,437	2,886,482	
Financial liabilities					
Trade and other payables	-	-	618,202	618,202	
	-	-	618,202	618,202	
Year ended 31 December 2008					
Financial assets					
Cash and cash equivalents	2,008,748	-	-	2,008,748	6.47
Trade and other receivables	-	-	87,261	87,261	
	2,008,748	-	87,261	2,096,009	
Financial liabilities					
Trade and other payables	-	-	549,199	549,199	
	-	-	549,199	549,199	

20 Events subsequent to 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 entity, the results of those operations or the state of affairs of the entity in subsequent financial years, other than as indicated in note 21.

21 Contingent liabilities

There are no contingent liabilities as at 31 December 2009, other than the leasehold improvements listed in note 10 and IT programming commitments amounting to \$24,553.

22 Change in accounting policy

A number of Australian Accounting Standards have been issued or amended which have been adopted in preparation of the financial statements at the reporting date.

23 Company details

The registered office and principal place of business of the company is:

Level 10, 5 Hunter Street
Sydney NSW 2000 Australia.

Company Secretary

Stan Jodeikin BCom, Dip Bus Mgt (Hons), Grad Dip Accounting, FCIS, CPA, PNA, AFAIM — Experienced in company secretarial practice, corporate governance, financial management, computer systems, risk management implementation, office and business management in manufacturing, wholesale and retail industries. Appointed Company Secretary of CSA Ltd on 7.10.2000. Also Australian Secretary of the Australian Division of the Institute of Chartered Secretaries & Administrators.

Directors' declaration

Chartered Secretaries Australia Ltd

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 30–43, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2009 and of the performance for the year ended on that date 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.



Peter Turnbull FCIS
Chairman



Douglas Gration FCIS
Director

Dated at Sydney this 13th day of March 2010

Auditors' independence declaration

Under Section 307C of the *Corporations Act 2001* to the Members of Chartered Secretaries Australia Ltd

I am pleased to provide the following declaration of independence to the directors of Chartered Secretaries Australia Ltd.

As audit principal for the audit of the financial statements of Chartered Secretaries Australia Ltd for the financial year ended 31 December 2009, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (a) the auditor's independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



WHK Horwath Sydney



Ash Pather
Principal

Dated at Sydney this 13th day of March 2010

Independent auditor's report

to the Members of Chartered Secretaries Australia Ltd

Report on the financial report

We have audited the accompanying financial report of Chartered Secretaries Australia Ltd, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company 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 judgment, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report of Chartered Secretaries Australia Ltd for the year ended 31 December 2009 included or which will be included on the company's website. We have not been engaged to report on the integrity of this website. This audit report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

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 Chartered Secretaries Australia Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 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*; and
- (b) the financial report also complies with International Financial Reporting Standards applicable for not-for-profit entities as disclosed in Note 1.



WHK Horwath Sydney



Ash Pather
Principal

Dated at Sydney this 13th day of March 2010

Detailed operating surplus and deficit accounts

for the five years 2005 – 2009

	2009 \$	2008 \$	2007 \$	2006 \$	2005 \$
Operating revenue					
Member and Affiliate subscriptions	2,292,555	2,311,482	2,290,072	2,204,833	2,071,098
Education	2,316,710	2,243,438	1,995,676	1,849,005	1,726,143
Training and events	1,752,435	1,796,821	1,785,568	1,505,570	1,216,954
Sponsorship	460,309	533,404	479,603	457,589	399,654
Interest	85,502	143,322	82,970	68,304	122,072
Other income	75,021	101,222	72,152	85,189	99,033
Publications, journal and merchandise †	30,811	22,763	23,350	31,930	48,988
	7,013,343	7,152,452	6,729,391	6,202,420	5,683,942
Operating expenses					
Personnel	3,293,315	3,216,885	2,807,998	2,895,726	2,557,327
Education	737,644	825,252	660,008	610,029	610,359
Training and events	622,127	675,597	653,577	634,147	470,542
Occupancy and state facilities	424,938	361,734	279,374	232,301	269,600
Publications, journal and merchandise †	276,853	273,381	277,853	291,480	282,363
Borrowing costs expense	–	–	482	23,141	213,380
Depreciation and amortisation	232,624	221,356	375,926	234,557	196,607
Travel and meetings	219,631	266,020	214,926	186,981	186,522
Profile and website maintenance	417,757	417,529	435,938	323,765	169,039
Repairs and maintenance	215,046	184,757	228,803	141,857	106,549
ICSA, UK — capitation fee	154,953	131,890	140,606	133,152	98,741
Telephone, facsimile and email	71,543	85,130	102,632	76,707	75,006
Bank and credit card fees	92,490	93,988	88,987	74,292	68,522
Printing and stationery	93,443	90,292	77,217	77,889	61,474
International representation	62,600	83,879	67,386	60,281	49,228
Postage and courier	20,101	20,518	20,115	36,995	46,604
Insurance	39,938	38,361	37,790	37,845	37,535
Other expenses	46,723	35,566	24,382	34,289	31,339
Auditors	21,800	21,000	11,750	24,900	26,578
Professional services ††	45,684	58,773	8,936	9,901	16,223
Refund of payroll tax †††	(609,430)	–	–	–	–
	6,479,780	7,101,908	6,514,686	6,140,235	5,573,538
Surplus from ordinary activities	533,563	50,544	214,705	62,185	110,404
Net (loss) / gain on disposal of asset	(4,510)	1,170	3,964	(6,452)	(27,641)
Total surplus for the year	529,053	51,714	218,669	55,733	82,763

† Publications, journal and merchandise includes publication and sale of technical booklets.

†† Professional services increase in 2008 includes legal fees incurred in respect of ICSA constitutional changes and Perth leasehold premises and in 2009 legal fees for Chief Executive's contract.

††† Refund of payroll taxes as a consequence of NSW wages being exempted under Schedule 2 Division 4 Clause 12(1)(c).

This statement does not form part of the Audited Accounts but is presented for additional information.

Members' Code of Ethics*

Chartered Secretaries Australia (CSA) requires its Members to observe the highest standards of professional conduct and ethical behaviour in all of their activities. By maintaining such standards, Members enhance their own standing as corporate managers and increase public confidence in the management and administration of corporations.

- Members shall uphold the objectives of CSA and abide by the regulations.
- As the conduct of an individual Member can reflect upon the wider profession of corporate management and upon CSA's membership as a whole, the Code sets out what are deemed to be appropriate standards of professional conduct.
- Members shall refrain from conduct or action which detracts from the reputation of CSA.
- Members are required to exercise complete probity, honesty and diligence in carrying out their duties and responsibilities.
- Members shall at all times safeguard the interests of their employers or clients provided that Members shall not knowingly be party to any illegal or unethical activity.
- Members shall not enter into any agreement or undertake any activity which may be in conflict with the interests of their employers or clients or which would prejudice the performance of their professional duties.
- Members shall not use confidential information gained in the performance of their duties for any personal gain nor in a manner which would be detrimental to their employer or client.
- Members shall exercise due care and diligence in performing their duties and ensure the currency of their knowledge, skills and technical competencies.
- Members acknowledge that this Code is to be adhered to both in spirit and to the letter, so that Members' conduct is governed by the highest standards of professionalism and ethical behaviour.

** Forms part of CSA's Code of Business Conduct and Ethics*

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**CHARTERED SECRETARIES
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Leaders in governance