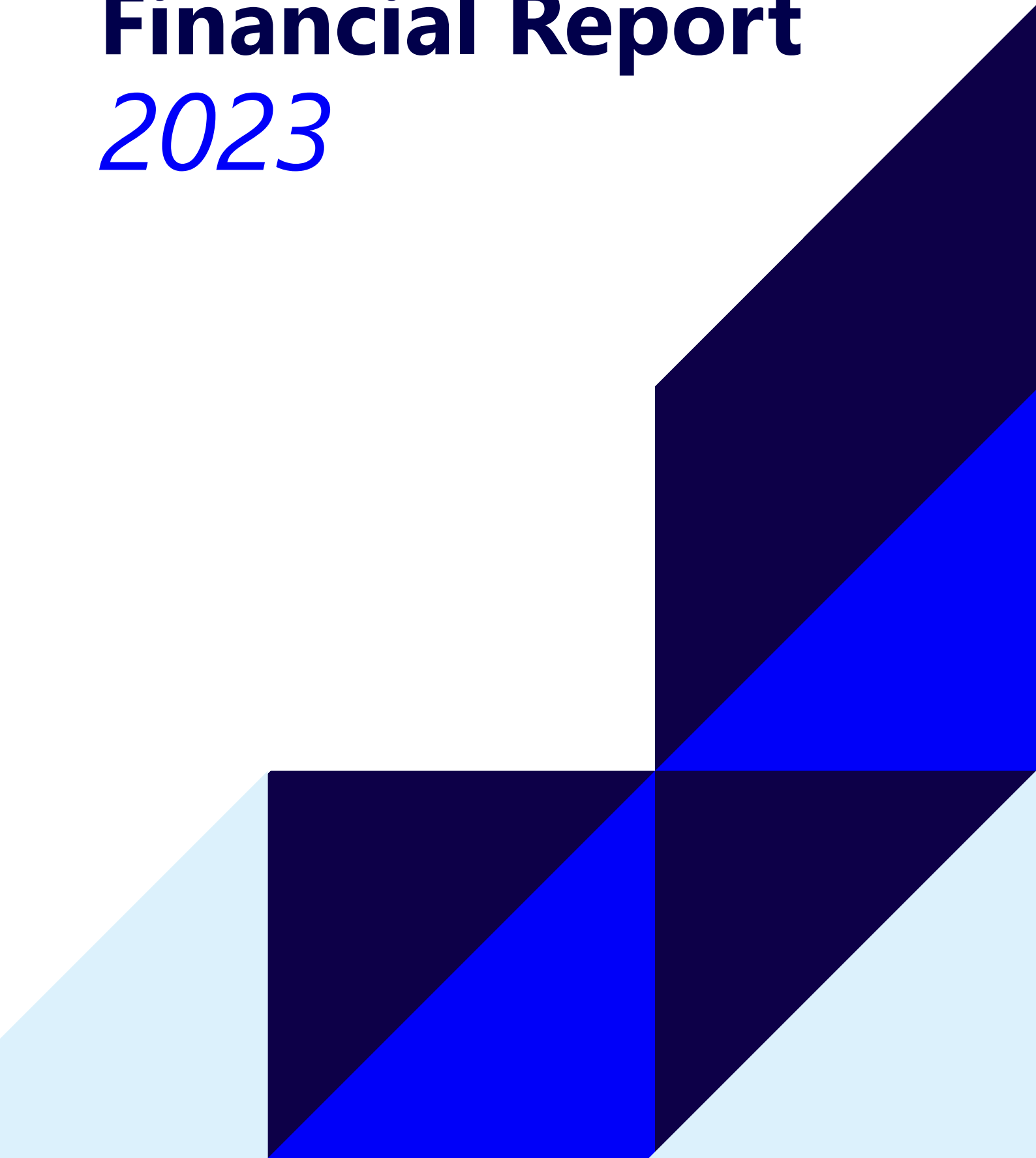


# **Financial Report** *2023*



# Contents

Directors' report	<b>2</b>
Financial report	<b>6</b>
Directors' declaration	<b>20</b>
Independent Auditor's report	<b>21</b>
Auditor's independence declaration	<b>24</b>

# Directors' report

Your Directors present this report on the Company for the financial year ended 31 December 2023.

## Principal activities, objectives and strategies

The principal activities of Governance Institute of Australia Ltd (Governance Institute or the Company) during the year were to champion whole-of-organisation governance and risk management through education, advocacy and engagement with members and the broader community.

There was no significant change in the nature of the activities during the year and the operations are in accordance with the Constitution. The Company's financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulations 2022 and Australian Accounting Standard AASB 1060 General Purpose Financial Statements — Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

To meet its long-term objectives, the Company will strive to see that:

- the organisation's governance arrangements remain fit for purpose and align with contemporary best practice through the implementation of recommendations from an independent review of our governance.
- Australia's governance frameworks facilitate a strong economy underpinned by responsible performance and organisational culture.
- current members and aspiring company secretaries, governance professionals, risk managers and directors are provided with the best education, resource support and career support to enhance their professional standing.
- the organisation is strategically focused on being innovative; encouraging positive engagement with, and influencing, all stakeholders; and fostering a culture and values that ensures it is sustainable.
- governance practitioners are provided with a trusted community from which they can draw education, provide input, and access a knowledge sharing network of support, appropriate for their changing needs and circumstances throughout their chosen governance careers.

The company's short-term objective is to continue to focus on member engagement, innovation and lifting and maintaining our profile for the next 12 months to maintain member retention at 90 per cent or better.

To meet its short-term objectives, the Company will continue to:

- provide services, resources, and training to members
- create and implement member engagement strategies that are more targeted and aim to continue to increase our relevance and profile
- strengthen our advocacy activities to influence decision makers and support responsible performance using good governance practices
- better align our product offering to meet the career stages and interests of our members.

## Financial results

An operating deficit of (\$777,223) was reported for the year.

Accumulated Members' Funds at year-end were \$14,563,048.

Governance Institute is exempt from income tax.

## Dividends

As the Governance Institute's Constitution prohibits the payment of dividends, no dividends have been paid.

## Review and result of operations

Company performance was assessed by the Board of Directors at their Board meetings held during the year.

Quarterly forecast reviews are presented and discussed as to the progress between budget, forecast and actual results achieved. The Risk, Audit and Finance Committee also reviews the annual budget prior to making recommendations to the Board for their consideration.

Total operating revenue for the year amounting to \$10,688,965 primarily came from member and subscriber fees 34.6 per cent; postgraduate courses 17.0 per cent; and short courses and certificate courses 33.4 per cent.

Total expenditure for the year amounting to \$13,006,504 was primarily from direct costs for short courses & certificates, Conferences, and postgraduate courses at 13.3 per cent of total expenditure; payroll costs at 58.6 per cent, rental expense at 4.4 per cent, and Profile expense at 6.2 per cent.

## Likely developments

Likely developments in the operations of Governance Institute and the expected results of those operations in future financial years are disclosed in the Chair and CEO's report at pages 4-5 and the integrated report from pages 6-31.

## Environmental regulations

Governance Institute'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 pertaining to the 2023 operations.

Continuing members of the Board of Governance Institute at the date of this report are Pauline Vamos, Michael Adams, Paige Exley, Greg Hanigan, Helen Hardy, Karin Geraghty, Debora Jackson, and Ken Weldin.

## Auditor's indemnification

Governance Institute has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of Governance Institute 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

As Governance Institute is limited by guarantee, none of the Directors holds an interest but each, as a member of Governance Institute, is liable to the extent of their undertaking under Governance Institute's Constitution.

Under the Company's constitution, the Company indemnifies, to the extent permitted by law, all current and former Directors and Officers of the Company against any liability incurred in that person's capacity as an Officer of the Company and against any legal costs incurred by that person in defending any proceedings relating to any such liability.

The Company has also entered into a deed of indemnity with Directors and Officers on substantially the same terms as those set out in the Constitution.

During the year, the Company paid insurance premiums to insure the Directors and Officers of the Company, as permitted by the Corporations Act 2001 (Cth), in respect of losses, liabilities, costs and charges incurred by those persons in their capacity as an Officer of the Company. The terms of the policy prohibit the disclosure of the amount of the premiums paid by the Company.

## Attendance at Directors' meetings

During 2023 attendance by individual Directors at meetings they were entitled to attend, was as set out in the table.

	Board of Directors	Risk, Audit & Finance Committee	People, Remuneration & Nominations Committee	Membership Committee	Education Committee
Pauline Vamos, Chair	5 out of 6		5 out of 5	6 out of 6	
Michael Adams	6 out of 6				4 out of 4
Ainslie Cunningham	4 out of 4	2 out of 3			
Karin Geraghty	6 out of 6				4 out of 4
Greg Hanigan	6 out of 6	4 out of 4			
Helen Hardy	5 out of 6			6 out of 6	
Andrew Leake	6 out of 6		5 out of 5	2 out of 2	
John Mazengarb	3 out of 3		3 out of 3	3 out of 3	
Caron Sugars	5 out of 6	2 out of 4			
Ken Weldin	6 out of 6	4 out of 4	2 out of 2		

## Liability of members on winding up

The liability of each member (and each person who has ceased to be a member in the preceding year) on winding up is limited to an amount not exceeding \$100.

## Company Secretary

Geoffrey Stirton FGIA FCG Company Secretary

David O'Kane FGIA FCG Chief Operations Officer

## Auditor's independence declaration

The Auditor's independence declaration is set out on page 54 and forms part of the Directors' report for the financial year ended 31 December 2023.

## Company details

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

Level 11, 10 Carrington Street  
Sydney NSW 2000 Australia

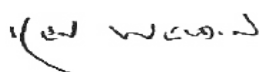
ABN 49 008 615 950

## Chair and Director signatures



Pauline Vamos FGIA FCG

President and Chair of Governance  
Institute of Australia Ltd and of  
the Australian Division of The  
Chartered Governance Institute



Ken Weldin FGIA FCG

Director  
Chair of Risk, Audit and Finance Committee

Signed in accordance with a resolution of Directors.

**SYDNEY, 15 April 2023**

# Financial report

## Statement of income and retained earnings for the year ended 31 December 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>	3(a)	10,779,915	10,220,449
Other income	3(c)	157,384	10,390,556
Interest income	3(d)	731,502	232,824
Net fair value gain on financial assets through profit or loss	10	560,480	-
<b>Expenses</b>			
Finance costs		(55,709)	(84,816)
Depreciation expense	4(a)	(225,914)	(291,697)
Other expenses	4(b)	(12,724,881)	(10,759,701)
<b>(Deficit)/ surplus before income tax expense</b>		<b>(777,223)</b>	<b>9,707,615</b>
Income tax expense		-	-
<b>Operating (deficit)/surplus for the year</b>		<b>(777,223)</b>	<b>9,707,615</b>
<b>Total comprehensive (deficit)/surplus for the year attributable to members</b>		<b>(777,223)</b>	<b>9,707,615</b>
Accumulated surplus at the beginning of the year		14,594,338	4,886,723
<b>Accumulated surplus at the end of the year</b>		<b>13,817,115</b>	<b>14,594,338</b>

## Statement of financial position for the year ended 31 December 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	7	5,255,477	18,906,830
Trade and other receivables	8	222,050	244,842
Other assets	9	397,869	455,547
<b>Total current assets</b>		<b>5,875,396</b>	<b>19,607,219</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	11,400	30,483
Intangible assets	12	348,851	231,395
Right-of-use assets	13	687,820	816,207
Financial assets	10	12,320,480	-
<b>Total non-current assets</b>		<b>13,368,551</b>	<b>1,078,085</b>
<b>Total assets</b>		<b>19,243,947</b>	<b>20,685,304</b>
<b>Current liabilities</b>			
Trade and other payables	14	878,926	932,984
Deferred revenue	15	2,245,119	2,877,586
Provisions	16(a)	606,593	503,523
Lease liabilities	17(b)	127,644	115,368
<b>Total current liabilities</b>		<b>3,858,282</b>	<b>4,429,461</b>
<b>Non-current liabilities</b>			
Provisions	16(b)	102,470	50,681
Lease liabilities	17(b)	720,147	847,791
<b>Total non-current liabilities</b>		<b>822,617</b>	<b>898,472</b>
<b>Total liabilities</b>		<b>4,680,899</b>	<b>5,327,933</b>
<b>Net assets</b>		<b>14,563,048</b>	<b>15,357,371</b>
<b>Members' funds</b>			
Reserves	5	745,933	763,033
Accumulated surplus		13,817,115	14,594,338
<b>Total Members' funds</b>		<b>14,563,048</b>	<b>15,357,371</b>

## Statement of cash flows for the year ended 31 December 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Subscriptions received		3,256,518	3,612,661
Receipts from participants in courses and other activities		7,004,462	6,415,200
Payments to suppliers and employees		(12,564,769)	(9,979,745)
Interest received		724,954	148,966
Other income		101,914	121,115
Interest paid on lease liability		(55,709)	(84,816)
<b>Net cash (used in)/provided by operating activities</b>	19(a)	<b>(1,532,630)</b>	<b>233,381</b>
<b>Cash flows from investing activities</b>			
Receipts from the Sydney Office Sale		-	13,200,000
NSW office sale & relocation cost		(637)	(396,232)
Payments for purchases of financial assets		(11,760,000)	-
Interest received from financial assets		6,548	-
Payments for property, plant and equipment		(14,713)	(5,406)
Payments for intangible assets		(234,553)	(100,000)
<b>Net cash (used in)/provided by investing activities</b>		<b>(12,003,355)</b>	<b>12,698,362</b>
<b>Cash flows from financing activities</b>			
Termination of long term lease		-	(149,957)
Principal portion of lease payments		(115,368)	(242,070)
<b>Net cash used in financing activities</b>		<b>(115,368)</b>	<b>(392,027)</b>
Net (decrease)/increase in cash and cash equivalents		<b>(13,651,353)</b>	<b>12,539,716</b>
Cash and cash equivalents at beginning of year		18,906,830	6,367,114
<b>Cash and cash equivalents at end of year</b>	7	<b>5,255,477</b>	<b>18,906,830</b>

# Notes to the financial statements for the year ended 31 December 2023

## 1. Corporate information

Governance Institute of Australia Ltd (the 'Company') is an incorporated company limited by guarantee and domiciled in Australia. The address of the Company's registered office is Level 11, 10 Carrington Street, Sydney, NSW, 2000. The Company is a not-for-profit entity.

In the event of the Company being wound up, the liability of each member, or each former Member who ceased to be a member within a year of the Company being wound up, is limited to an amount not exceeding \$100. As the Company is limited by guarantee, there is no reference in the statement of financial position to share capital or shareholders' equity.

The Company's principal activities in the course of the financial year were to champion whole-of-organisation governance and risk management through education, advocacy and engagement with members and the broader community.

## 2. Basis of preparation

### (a) Statement of compliance

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards — Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements — Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulations 2022.

The financial statements were approved by the Board of Directors on 08 April 2024.

### (b) Basis of measurement

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.

### (c) Functional and presentation currency

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

### (d) Use of significant estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

### (e) Income tax

Governance Institute of Australia 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.

### (f) New standards and amendments adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period, which includes AASB 2021-2 Amendments to Australian Standards-Disclosure of Accounting Policies and Definition of Accounting Estimates. There was no material impact to the financial statements.

	2023 \$	2022 \$
<b>3. Revenue</b>		
<b>a) Operating activities</b>		
Revenue from contracts with customers		
Member and subscriber fees	3,726,407	3,636,334
Postgraduate courses	1,835,911	1,901,309
Short courses and certificate courses	3,598,228	3,108,630
PD Events (GRMF, Updates/Seminars & Workshops, National Events)	1,185,185	1,121,185
Sponsorship	332,270	331,877
Publications, journal and merchandise	10,964	14,342
<b>Total revenue from contracts with customers</b>	<b>10,688,965</b>	<b>10,113,677</b>
Other revenue		
Other revenue	90,950	106,772
<b>Total other revenue</b>	<b>90,950</b>	<b>106,772</b>
<b>Total Operating Revenue</b>	<b>10,779,915</b>	<b>10,220,449</b>
<b>b) Timing of revenue recognition</b>		
Services transferred at a point in time	3,364,330	3,368,713
Services transferred over time	7,324,635	6,744,964
	<b>10,688,965</b>	<b>10,113,677</b>
<b>c) Other income</b>		
Sydney office sale	-	10,390,556
Other income	109,144	-
Distribution income	48,240	-
<b>Total other income</b>	<b>157,384</b>	<b>10,390,556</b>
<b>d) Interest income</b>		
Interest from cash and cash equivalents	724,954	232,824
Interest from on cash held in investments	6,548	-
<b>Total interest income</b>	<b>731,502</b>	<b>232,824</b>

Revenue represents income earned from membership subscriptions and the provision of related services. Membership subscription revenue is recognised over time throughout the membership period, revenue from the provision of other services is recognised upon the delivery of the service to members/customers. Interest income is measured in accordance with the effective interest method. Distribution income is recognised when the right to receive a distribution has been established. All revenue is stated net of the amount of GST.

	2023 \$	2022 \$
<b>4. (Deficit)/surplus from ordinary activities</b>		
(Deficit)/surplus from ordinary activities is stated before income tax expense has been determined, after charging:		
<b>a) Depreciation expense</b>		
Depreciation and amortisation of non-current assets		
Plant and equipment	5,462	24,602
Intangible assets	92,065	70,459
<b>Depreciation and amortisation of non-current assets</b>	<b>97,527</b>	<b>95,061</b>
Depreciation — Right-of-use assets	128,387	196,636
<b>Total depreciation and amortisation of non-current assets</b>	<b>225,914</b>	<b>291,697</b>
<b>b) Other expenses</b>		
Personnel	6,976,316	5,900,558
Superannuation contributions	647,248	517,613
Profile expenses	804,778	654,219
Member activities, conference, short courses and post-graduate education	1,732,915	1,093,587
IT licenses	494,083	370,839
Repairs and maintenance	314,489	451,645
CGI, UK — capitation fee	97,235	86,889
Rental expenses — short term leases and low value assets	575,161	278,198
Occupancy and state facilities	42,165	43,932
Auditor's remuneration		
Audit fees	43,700	41,250
Other assurance services	4,175	13,800
Disposal of fixed assets	53,325	-
NSW office sale & relocation cost	7,420	546,189
Strategic project expenses	357,099	-
Other expenses from ordinary activities	574,772	760,982
<b>Total other expenses</b>	<b>12,724,881</b>	<b>10,759,701</b>

	2023 \$	2022 \$
<b>5. Reserves</b>		
Capital surplus reserve	745,933	745,933
Works of art revaluation reserve	-	17,100
<b>Total reserves</b>	<b>745,933</b>	<b>763,033</b>

Works of art revaluation reserve decreased during the year to align with the fair value of the assets at 31 December 2023.

	2023 \$	2022 \$
<b>6. Key management personnel compensation</b>		
Key management personnel	1,445,838	1,219,377
Independent Chair	48,100	43,750
<b>Total key management personnel</b>	<b>1,493,938</b>	<b>1,263,127</b>

No other directors received any remuneration during the year.

	2023 \$	2022 \$
<b>7. Cash and cash equivalents</b>		
Cash at bank	3,744,804	1,679,796
Cash held in investments	244,623	-
Cash on deposit	1,149,052	1,821,034
Term deposits	116,998	15,406,000
<b>Total cash and cash equivalents</b>	<b>5,255,477</b>	<b>18,906,830</b>

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions.

	2023 \$	2022 \$
<b>8. Trade and other receivables</b>		
<b>Current</b>		
Trade debtors	121,009	184,007
Net GST receivable	59,737	60,835
Other debtors	41,304	-
<b>Total trade and other receivables</b>	<b>222,050</b>	<b>244,842</b>

Trade receivables are non interest bearing and are generally due for payment within 30 days of the invoice date. There is no impairment or significant credit risk with any debtor balance.

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the instrument.

Trade and other receivables are classified (and measured subsequently) at amortised cost.

The Company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers. Under the AASB 9 simplified approach, the Company determines the allowance for credit losses for receivables from contracts with customers, on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

	2023 \$	2022 \$
<b>9. Other assets</b>		
<b>Current</b>		
Prepayments	371,355	433,117
Prepaid CGI capitation fee	26,514	22,430
<b>Total other assets</b>	<b>397,869</b>	<b>455,547</b>

	2023 \$	2022 \$
<b>10. Financial assets</b>	-	
Financial assets at fair value through profit or loss (managed funds)	12,320,480	-
	12,320,480	-

The funds returned a total unrealised gain of \$560,480 (2022:\$nil) recognised in profit and loss for 2023.

The Financial assets classified as non-current assets are part of a long-term strategic investment fund. This multi asset investment portfolios' intent is to preserve and grow capital whilst generating income. They have been classified as non-current. Despite their non-current classification, these assets maintain the flexibility to be converted to cash with 15 working days notice.

#### Recognition

Financial assets relating to the investment in managed funds are classified at fair value through profit or loss (FVPL).

At initial recognition the company measures a financial asset at its fair value.

Transaction costs of financial assets carried at a fair value through profit or loss are expensed in the Statement of Income and Retained Earnings.

Changes in the fair value of financial assets at fair value through profit or loss, profits and losses realised from the sale of financial assets, and interest and distribution income are recognised in the Statement of Income and Retained Earnings.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cashflows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset.

#### Fair Value Measurements

The valuation techniques and key assumptions used in measuring the fair value of financial assets measured at FVPL are as follows:

- Managed funds are stated at the redemption price quoted by the investment manager at the reporting date.

	2023 \$	2022 \$
<b>11. Property plant and equipment</b>		
Computer system, furniture and office equipment at cost	835,115	836,236
Less: accumulated depreciation	(823,715)	(827,853)
	11,400	8,383
Works of art at valuation	-	22,100
<b>Total property, plant and equipment</b>	<b>11,400</b>	<b>30,483</b>

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

	Computer systems, furniture and office equipment \$	Works of art \$	Total \$
<b>Balance at 1 January 2023</b>	8,383	22,100	30,483
Additions	14,713	-	14,713
Disposal	(6,234)	(22,100)	(28,334)
Depreciation expense	(5,462)	-	(5,462)
<b>Carrying amount at 31 December 2023</b>	<b>11,400</b>	<b>-</b>	<b>11,400</b>

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

**Derecognition and disposal**

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Income and Retained Earnings.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment.

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

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
Computer systems, furniture and office equipment	10% - 33.33%

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

	2023 \$	2022 \$
<b>12. Intangible assets</b>		
<b>Ethics Index</b>		
Balance at the beginning of the year	170,833	-
Additions	-	200,000
Less: amortisation	(50,000)	(29,167)
Balance at end of year	120,833	170,833
<b>Customer relationship management system</b>		
Balance at beginning of year	30,177	978,229
Additions	-	-
Total cost basis	30,177	978,229
Disposal during the year	(7,192)	(14,375)
Less: accumulated amortisation	(22,985)	(933,677)
Balance at end of year	-	30,177
<b>New courses</b>		
Balance at beginning of year	30,385	94,515
Additions	-	-
Total cost basis	30,385	94,515
Disposal during the year	(17,820)	-
Less: accumulated amortisation	(12,565)	(64,130)
Balance at end of year	-	30,385
<b>Website</b>		
Balance at beginning of year	-	-
Additions	234,533	-
Total cost basis	234,533	-
Less: accumulated amortisation	(6,515)	-
Balance at end of year	228,018	-
<b>Total intangible assets</b>	<b>348,851</b>	<b>231,395</b>

Movement in the carrying amounts for each class of intangibles between the beginning and the end of the current financial year.

	Ethics Index \$	Customer relationship management project \$	New courses \$	Website \$	Total \$
Balance at 1 January 2023	170,833	30,177	30,385	-	231,395
Additions	-	-	-	234,533	234,533
Disposals		(7,192)	(17,820)	-	(25,012)
Amortisation expense	(50,000)	(22,985)	(12,565)	(6,515)	(92,065)
<b>Carrying amount at 31 December 2023</b>	120,833	-	-	228,018	348,851

Intangible assets acquired are recognised at fair value at the date of acquisition and is subsequently amortised on a straight line basis.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the recoverable amount of asset of CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount and thus recognised in profit or loss. They are allocated to the carrying amounts of the assets in the CGU on a pro rata basis

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives are as follows:

- Ethics Index — 4 years
- Customer relationship management system — 3 years
- New courses — 3 years
- Website — 3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 13. Right-of-use assets

Governance Institute of Australia leases its office premises and IT equipment. Information about the leases is presented below:

	Office Premises \$	IT Equipment \$	Total \$
Balance at 1 January 2023	804,958	11,249	<b>816,207</b>
Amortisation expenses for the year	(125,453)	(2,934)	<b>(128,387)</b>
<b>Balance at 31 December 2023</b>	<b>679,505</b>	<b>8,315</b>	<b>687,820</b>

Sydney and Melbourne leases are short term leases under AASB 16. Refer to Note 17(b).

The Company has a lease for office premises in Queensland that expire in 2029. In accordance with individual lease contract, the Company must maintain these property in a good state of repair and return the property in the original condition at the end of the lease.

The Company has leases for photocopier equipment that expire in 2026.

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Company, and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

	2023 \$	2022 \$
<b>14. Trade and other payables</b>		
<b>Current</b>		
Trade creditors and accruals	878,926	932,984

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. Trade and other payables are subsequently measured at amortised cost.

	2023 \$	2022 \$
<b>15. Deferred revenue</b>		
Subscriptions and fees received in advance	2,245,119	2,877,586

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

	2023 \$	2022 \$
<b>16. Provisions</b>		
<b>a) Current</b>		
Provision for employee short-term entitlements	490,317	423,462
Provision for long service leave	116,276	80,061
	<b>606,593</b>	<b>503,523</b>
<b>b) Non-current</b>		
Provision for long service leave	102,470	50,681
	<b>102,470</b>	<b>50,681</b>
Average number of full-time equivalent employees	50.20	47.50

FTE is higher than the previous period due to the conversion of two roles to full time and the recruitment of one new role in 2023.

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to statement of financial position date. Employee benefits expected to be settled within one year of the statement of financial position 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 statement of financial position date have been measured at the present value of future payments expected to be made in respect of services provided by employees up to statement of financial position 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.

	2023 \$	2022 \$
<b>17. Lease liabilities</b>		
<b>a) Maturity analysis — contractual undiscounted cash flows</b>		
No later than one year	176,750	171,077
Later than 1 year and not later than 5 years	829,654	894,632
Later than 5 years	-	273,848
	<b>1,006,404</b>	<b>1,339,557</b>
<b>b) Lease liabilities included in the statement of financial position as at 31 December 2023</b>		
Current	127,644	115,368
Non-current	720,147	847,791
<b>Balance at 31 December 2023</b>	<b>847,791</b>	<b>963,159</b>

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Company's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

#### Short-term leases

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term. Lease payment recognised as an expense for the financial year in relation to short-term leases is \$575,165 (2022: \$278,198). The remaining contractual commitment to pay is \$343,160.

## 18. Related party and subsidiary company disclosures

### Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

(i) The Chartered Governance Institute (CGI), United Kingdom: under the terms of an operating agreement with CGI, Governance Institute of Australia Ltd remits an administration fee based on the number of Australian Members and students registered with CGI as at 30 June each year to meet the expenses of the International Institute. These payments amounted to \$97,235 (2022: \$86,889).

(ii) During 2023, PKF (ABN 98 007 219 703) provided sponsorship to Governance Institute for the following:

- National Gold Sponsor of the Governance and Risk Management Forum (GRMF) series;
- Session Sponsor of the International Governance and Leadership Conference;
- Sponsor of the Thought Leadership program on Cyber Security and Data Governance; and
- Sponsor of Fellows Roundtable events.

The total value of the sponsorship during the year was \$61,780 excl. GST (2022: \$15,000).

Governance Institute Director, Mr Ken Weldin, is Partner, Audit & Assurance at PKF. From an Institute perspective, although Mr Weldin is a Board member, he has not been involved in the decision to contract with PKF:

- Sponsorship agreements are commercial agreements, negotiated at arm's length.
- The services provided to the Institute by PKF during the year have arisen because of a sponsorship relationship that was in existence prior to Mr Weldin joining the Institute's Board.
- Mr Weldin has not been involved in the negotiation of any engagements with the Institute on behalf of PKF, or vice versa.
- Sponsorship arrangements such as this are an operational matters, outside standard Board business.

(iii) The following fees were paid to directors during the year for course presentations:

	2023 \$	2022 \$
Christine Manuel	-	4,400
Ainslie Cunningham	-	2,700
	-	<b>7,100</b>

	2023 \$	2022 \$
<b>19. Cash and cash equivalents flow information</b>		
(Deficit)/surplus from ordinary activities after income tax	(777,223)	9,707,615
Non-cash flows in surplus from ordinary activities		
Depreciation and amortisation	225,915	291,697
Interest for lease liabilities	55,709	84,816
Other non-cash	27,070	(23,115)
Sydney office sale net of relocation costs	(637)	(9,844,368)
Unrealised gains on financial assets through profit or loss	(560,480)	-
Decrease/(increase) in trade and other receivables	22,792	(101,832)
Decrease/(increase) in other assets	57,679	(207,114)
(Decrease)/increase in trade and other payables	(54,058)	402,857
Decrease in deferred revenue	(632,467)	(61,845)
Increase/(decrease) in provisions	103,070	(15,330)
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,532,630)</b>	<b>233,381</b>

	2023 \$	2022 \$
<b>20. Remuneration of auditors</b>		
<i>Pitcher Partners Sydney</i>		
<b>Assurance services</b>		
Audit of the financial report	43,700	41,250
<b>Non-assurance services</b>		
Review of tax implications in relation to sale of the Sydney office	-	12,000
Assistance with the compilation of the Financial Report	2,675	1,800
Review of Long Service Leave provision	1,500	-
	4,175	13,800
	<b>47,875</b>	<b>55,050</b>

	2023 \$	2022 \$
<b>21. Trust funds</b>		
<b>Statement of Financial Position</b>		
Estate Late Leonard Chant	994,490	977,279
The Institute Trusts	80,796	77,847
	<b>1,075,286</b>	<b>1,055,126</b>
Represented by		
Current assets		
Cash at bank and on deposit and trade and other receivables	1,075,286	1,055,126
Other current assets	704	644
<b>Total current assets</b>	<b>1,075,990</b>	<b>1,055,770</b>
Current liabilities		
Trade and other payables	1,582	13,032
<b>Total current liabilities</b>	<b>1,582</b>	<b>13,032</b>
Net trust Funds	1,074,408	1,042,738
<b>Statement of Comprehensive Income</b>		
Income		
Interest — Bequest from Estate Late Leonard Chant	43,042	8,254
Interest — other trust funds	2,889	886
	45,931	9,140
Expenditure		
Bank fees and charges	(121)	(120)
Scholarships	(14,140)	(11,450)
<b>Used trust funds</b>	<b>31,670</b>	<b>(2,430)</b>
Opening balance	1,042,738	1,045,168
<b>Trust funds balance at end of year</b>	<b>1,074,408</b>	<b>1,042,738</b>

The Institute Trust and The Institute No 2 Trust were established in 1993 to accept gifts and bequests from Members and others.

The Chant Legacy Trust fund was established with funds left to the Institute in the will of the late Leonard Chant. The Trustee (Governance Institute of Australia Ltd) applies the income from the fund to award scholarships:

- (a) into the Trustee's postgraduate courses dealing with applied corporate, public sector and/or not-for-profit sector governance; and
- (b) into any other postgraduate course dealing with applied corporate, public sector and/or not-for-profit sector governance whether in Australia or overseas.

The scholarships are available to any persons with tertiary qualifications including, but not limited to, graduates from any courses which contain a corporate governance, company administration or public sector management component, whether that course has been conducted by the Trustee or any other government accredited Australian tertiary education institution.

The financial statements of trust funds are not consolidated with those of the Company because the Company does not have direct control over them.

## 24. 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 Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

## 25. Contingent liabilities

The Company has bank guarantees for the amount of \$116,998 (2022: \$116,998). There are no other contingent liabilities as at 31 December 2023.

# Directors' declaration

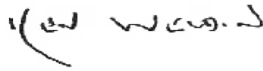
In the opinion of the Directors of Governance Institute of Australia Ltd ('the Company'):

- (a) the financial statements and notes that are set out on pages 36 to 49 are in accordance with the *Australian Charities and Not-for-profits Commission Regulations 2022*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Pauline VAMOS FGIA FCG  
Chair of Governance Institute of  
Australia Ltd and of the Australian  
Division of The Chartered  
Governance Institute



Ken Weldin FGIA FCG  
Director  
Chair of Risk, Audit and Finance Committee

**SYDNEY, 15 April 2023**

# Independent Auditor's Report



**Pitcher Partners Sydney**  
ABN 17 795 780 962

Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

Postal address  
GPO Box 1615  
Sydney NSW 2001

+61 2 9221 2099  
sydneypartners@pitcher.com.au

**pitcher.com.au**

**Governance Institute of Australia Ltd**  
ABN: 49 008 615 950

**Independent Auditor's Report**  
**To the Members of Governance Institute of Australia Ltd**

**Report on the Audit of the Financial Report**

## Opinion

We have audited the financial report of Governance Institute of Australia Ltd, ("the Company"), which comprises the statement of financial position as at 31 December 2023, the statement of income and retained earnings, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion the financial report of Governance Institute of Australia Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards – Simplified Disclosures, and Division 60 the *Australian Charities and Not-for-profits Commission Regulations 2022*.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of the Directors for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view, to meet the requirements of the Australian Accounting Standards and ACNC Act. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "S S Wallace".

**S S Wallace**  
Partner

15 April 2024

A handwritten signature in black ink that reads "Pitcher Partners".

**Pitcher Partners**  
Sydney

# Auditor's Independence Declaration



**Pitcher Partners Sydney**  
ABN 17 795 780 962

Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

Postal address  
GPO Box 1615  
Sydney NSW 2001

+61 2 9221 2099  
sydneypartners@pitcher.com.au

**pitcher.com.au**

**Auditor's Independence Declaration**  
**To The Directors of Governance Institute of Australia Ltd**  
**ABN 49 008 615 950**

I declare that to the best of my knowledge and belief, during the year ended 31 December 2023 there have been no contraventions of:

- i. The auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. Any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Governance Institute of Australia Ltd.

A handwritten signature in black ink that reads 'S S Wallace'.

**S S Wallace**  
Partner

**Pitcher Partners**  
Sydney

15 April 2024

# Governance Institute of Australia Ltd

## National office

Level 11/10 Carrington Street  
Sydney NSW 2000

**T** 1800 251 849 or  
(02) 9223 5744

**E** [info@governanceinstitute.com.au](mailto:info@governanceinstitute.com.au)  
**governanceinstitute.com.au**

**ACN:** 008 615 950

**ABN:** 49 008 615 950

## State offices

### New South Wales & ACT

Level 11/10 Carrington Street  
Sydney NSW 2000

**T** (02) 9223 5744

### Queensland

Level 8, 100 Creek Street  
Brisbane QLD 4000

**T** (07) 3229 6879

### South Australia, Northern Territory & Tasmania

PO Box 6178  
Linden Park SA 5065

**T** (08) 8379 6771

### Victoria

Level 7, 180 Flinders Street,  
Melbourne VIC 300

**T** (03) 9620 2488

### Western Australia

**T** (08) 9321 8777