annual report 2001
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Front cover: David Ingram, Graduate Diploma student

CHARTERED SECRETARIES AUSTRALIA LTD
ACN 008 615 950  ABN 49 008 615 950
“the new mission statement takes us beyond our traditional role and into existence for the wider community”

Nick Burrows FCIS, President, Committee for Australia

Juli Fidler, Company Secretarial Practice & Meetings student
As we move into 2002, Chartered Secretaries Australia Ltd (CSA) is poised to position itself as the authority and leading advocate of best practice in corporate governance and administration.

In a year filled with highlights, 2001 saw us move, for the first time, beyond our traditional role and into existence for the wider community.

During 2001 we also extended our advocacy role, streamlined the approach to membership, succeeded with the new governance structure and strengthened our finances.

Strategic plan 2002–2004
Commencing in July 2001 with a two-day strategy workshop, your Board worked with members and senior staff from all branches to formulate a vision for CSA and develop an early draft of a three-year strategic plan.

The workshop quickly identified the need for CSA to be more outward looking and to take a leadership role in advocating best practice in corporate governance. Our new Mission Statement reflects this fundamental shift.

A draft plan was distributed to branches and, following input from members, the draft was refined and revised. It was subsequently approved in November at the final Board meeting for 2001.

The detailed planning process your Board initiated has enabled a diverse range of members to provide input into the future of your organisation. It has produced documents that are dynamic and forward thinking and has paved the way for CSA to be positioned authoritatively.

Financial health
During 2001 CSA returned to a strongly profitable position, with higher revenues and lower costs. While profile building continued, the three-year investment of the Profile Campaign had ended, new products were developed and Graduate Diploma enrolments increased.

Significant effort was applied to developing a program of short-course training for both members and non-members under the Keeping Good Companies banner.

These half-day courses have proved a tremendous success attracting new members and customers, improving the level of skills in the business community and generating surpluses for reinvestment.

Total student enrolments increased 8 per cent over 2000, providing additional revenue and potentially additional members in the coming years.

Your Board is conscious of ensuring that CSA is always in a position to continue investing in the development of new services for members. The return to strong profitability will ensure funds are available to keep CSA at the forefront by providing member services such as improvements to the website, new courses and additional discussion groups and seminars.

Success of new governance structure
As outlined in last year’s annual report, a new governance structure was approved. Following considerable thought and effort, the Board defined a structure and method of operating that best serves the needs of our members (Chartered Secretaries) in Australia. The new structure positions CSA as the service vehicle to the local governance body for members — the Committee for Australia (CFA) — and was designed to meet your needs more effectively and efficiently while developing and promoting our services to the wider corporate community.

The intent was for CSA to have clearer financial and non-financial accountability to the Board.

Thus, your Board focuses on the commercial aspects of running CSA, including improvements to premises, provision of head office and branch infrastructure, the development of professional products and administration of the Graduate Diploma course. The CFA, representing the interests of members, focuses on strategic direction, services to members and policy and advocacy work.

Contributing to the success of the new Governance structure have been the many members who participate so fully in the activities of the Institute. Many have given considerable time and effort to participate on the Board, the Committee for Australia, Branch Councils and committees as well as in discussion groups and as course presenters. It is their combined contribution and commitment which helps keep CSA vibrant and effective.

The return to profitability, the development of new products and the continued improvements in the web-based delivery of services are demonstrating the effectiveness of this new structure.
Streamlining membership

Following the formal accreditation of the Graduate Diploma in Company Secretarial Practice, CSA has discontinued all other education related pathways to membership. This initiative firmly establishes the profession of Chartered Secretary at a post-graduate level and clearly signals the quality of professionalism a Chartered Secretary can bring to an organisation.

The single pathway makes the route to membership more easily understood by prospective candidates and has streamlined the process while giving CSA much more control of both content and focus. Stemming from this, it is pleasing to report that in 2001 CSA experienced a 100% increase in new members who have completed the Graduate Diploma.

A new membership brochure *Becoming a Chartered Secretary* is making it easier to explain the breadth and depth of the role of a Chartered Secretary and to outline the benefits of membership and how it will enhance one’s career.

Market research gave us some new insights during 2001 when we talked with new members to find out precisely what convinced them to join once they had finished their study. We received overwhelming feedback that keeping up-to-date — with technical developments, changes in the law and stock exchange requirements — was a high priority. In addition, our new members told us that membership was a signal to their employers that they are serious about their careers and prepared to invest the time and energy to be professionals.

New premises

During 2001 CSA made substantial investments in infrastructure, in particular new premises in Adelaide and Melbourne. In recent years we have been without premises in Adelaide and have conducted meetings and events in various external venues. CSA now has the capacity to conduct small meetings in dedicated office facilities in North Adelaide.

In Melbourne CSA moved into specially-designed offices at 500 Collins Street in August last year. The new offices have larger training and meeting facilities where we can conduct up to three functions simultaneously, making it easier to provide additional services to Victorian members.

Melbourne is now connected with the National office in Sydney by a virtual-private-network, making communication and collaboration easier.

Advocacy

CSA took the lead in September by developing a forward-looking policy agenda for the next Government in Australia. The combined efforts of the Legislative Review Committee (LRC) and the Corporate and Legal Issues Committee (CLIC) resulted in an Election Policy Platform that CSA was able to discuss with the Government and Opposition before and during last year’s campaign.

Both the LRC and CLIC recognised that over the last ten years Australia has put in place excellent corporate governance structures and principles. However as recent events have shown, much more needs to be done to achieve a consistently high level across all companies in applying these structures and principles. Both committees were of the view that it is up to industry to set high standards of self-regulation and for market forces to foster compliance with them.

CSA became a member of the Australian Securities and Investment Commission’s (ASIC) Corporate Governance Roundtable (CGR) in 2001. The CGR was called at the request of the then Minister for Financial Services and Regulation to increase the level of participation by retail shareholders. As part of the roundtable, CSA has been instrumental in working toward simpler documentation for shareholder meetings, proxy forms and notices of meetings. We believe these initiatives are important ingredients for the good governance of Australian companies.

Thanks

A great many people contributed to the success of 2001. Thanks are due to Directors, members and staff who have propelled CSA to significant progress. The organisation you have created is strong and innovative. We look forward to the future and the implementation of the initiatives of the 2002–2004 Strategic Plan.
During 2001 groundwork was laid for new member services as well as increased member access to CSA information and support. Member advisory committees for the Graduate Diploma in Company Secretarial Practice were introduced. The advocacy role of CSA was enhanced and membership involvement in policy formulation was extended.

Technical support
CSA continues to be committed to providing technical support services to ensure members stay at the forefront of their profession.

Additional member services or enhancements are designed to ensure access by the widest possible group. Thus we always attempt to develop web-based delivery of services, if possible, in order to provide the widest possible access.

The telephone based technical advice line operated through the Sydney office for example, provides members with advice and support over a wide range of subjects. To enable greater access, the more frequently asked questions are posted on the CSA website and updated regularly. As new issues arise additional questions are added.

In response to member interest, members and affiliates will soon be able to access their journal via www.CSAust.com. Work has commenced on building a searchable database of journal articles written since the new format was introduced in October 2000.

You will be able to search online by author, title or date and then download the article you are looking for in PDF format. This service will make research easier as well as making it easier to keep up-to-date with the current edition in a way that is convenient for you.

A ‘Useful practitioner document’ service will be incorporated with the release of the next version of the website. This exciting initiative will enable members and affiliates to download, in Word format, commonly used documents for governance and administration. The documents will be searchable and will be vetted by members to ensure their relevance and currency.

Advocacy
During 2001, CSA built upon the gains in advocacy that were achieved in 2000. We continued to approach policy and advocacy issues from the perspective of seeking practical and workable approaches to corporate governance.

A major milestone was the formal approval by CFA to increase the member involvement in policy formulation with the broadening of the membership of the Legislation Review Committee (LRC) and the elevation of the Corporate and Legal Issues Committee (CLIC) to a national committee.

These two committees draw their membership from around Australia with the LRC focusing primarily on matters affecting listed public companies and the CLIC focusing on matters affecting non-listed companies.

With the assistance of both committees, submissions were made to the Australian Stock Exchange (ASX), the Companies and Securities Advisory Committee (CASAC), the Minister for Financial Services and Regulation and the Economics Reference Committee of the Australian Senate. Highlights for the year include:

♦ Senate inquiry
In April, CSA appeared before the Australian Senate Inquiry regarding the ‘Framework for the market supervision of Australia’s Stock Exchanges’. CSA gave evidence in favour of retaining the current structure, particularly in light of the Supervisory Review Board that was being established. CSA’s submission pointed out that the current structure was efficient and that adequate safeguards existed between the ASX and ASIC to ensure an orderly market.

♦ Extraordinary general meetings
The matter of shareholders calling an extraordinary general meeting under s 249D of the Corporations Act has been important to Company Secretaries for several years. In May, CSA led a coalition of five industry bodies to persuade the Minister for Financial Services and Regulation to introduce amendments to the Act.

The matter progressed to the point where CSA submitted proposed changes to the Act. However, with the announcement of the election in the second half of 2001, the matter was delayed. CSA has recently written to Senator the Hon. Ian Campbell, urging him to bring the matter forward as soon as possible.

♦ Rapid response surveys
During the year CSA conducted three more rapid response surveys: Corporate Governance in technology companies; the Privacy Act; and Corporate Governance Practices in listed public companies. These surveys of members in Australia’s Top–200 listed public companies are an excellent indicator of member views and often form the basis of professional development seminars, articles for the journal and advocacy efforts.
Advocacy platform for the next Government

In the lead up to the Federal election last year, CSA identified key policy priorities for the next Government and key regulators. Developed via focus groups with members, the LRC and CLIC and with sign-off from your Board, CSA went forward with the policies outlined below as being critical to fostering greater confidence in Australian markets, enhancing the performance of Australian organisations and substantially reducing the burden of continually increasing legislative and compliance requirements.

In summary, CSA called for:

• the creation of a Corporations Panel
• meaningful corporate governance guidelines published on the company’s website
• a debate on the role of the traditional AGM and printed annual report
• all publicly listed companies to maintain a website for communicating to shareholders
• swift retribution via civil penalties for breaches of insider trading provisions
• minimum qualifications for Company Secretaries.

Education

Last year saw significant upgrade in the way CSA develops and updates the learning material for the Graduate Diploma in Company Secretarial Practice.

Advisory committees of members have been appointed for a number of subjects with the responsibility of ensuring the accuracy, relevance and currency of the materials.

Each committee is made up of six to eight members who review feedback, monitor changes in the market and work with internal editors to revise the subject notes.

These advisory committees are a welcome addition to CSA and have made a considerable difference already.

The conversion of all subjects to a format that is much easier to read and use was finalised in 2001.

After extensive research in 2000 into the latest learning design and techniques, we completed the upgrade of all five subjects in time for the second semester.

It is pleasing to see the number of graduates now coming out of the course. Last year 118 students graduated from the Graduate Diploma, with more expected this year.

Finally, we are looking forward to the introduction of the online learning centre.

Students will have full online support for all subject material, online tutorials with Subject Directors and chat room facilities for contact with other students.

This learning platform will be in use for the first semester 2002 for all subjects in the Graduate Diploma.
committees and membership

The Board of CSA gratefully acknowledges the commitment of members to policy development and our education program.

Committee for Australia

Mr Nick Burrows FCIS (President)
Company Secretary
Tassal Limited

Mr Frank Bush FCIS (Vice President)
Company Secretary/General Manager Legal & Compliance
Aristocrat Leisure Ltd

Ms Sue Crook FCIS (Vice President)
Head of Australia Secretariat
National Australia Bank Ltd

Professor Michael Adams FCIS (Immediate Past President)
Professor Corporate Law, UTS

Mr Russell Barnier FCIS
Corporate Secretary & Legal Counsel
Melbourne Health

Mr Duncan Glasgow FCIS
Company Secretary & General Counsel
Oil Drilling & Exploration Limited

Mr Ross Mallett FCIS
Assistant Company Secretary
WMC Limited

Mr Paul Moni FCIS
National Accounting Adviser
Australian Securities & Investments Commission

Ms Gillian Swaby FCIS
Director & Company Secretary of a number of companies both listed and unlisted

Mr Chris Wells FCIS
Deputy Secretary (Infrastructure) Roads & Public Transport

Mr Geoff White FCIS
Business Manager
St Michael’s College

Ms Pauline Carr FCIS
Group Company Secretary
Normandy Mining Ltd

Ms Sue Crook FCIS
Head of Australian Secretariat
National Australia Bank Ltd

Mr David Doyle FCIS

Mr Kevin Elkington FCIS
Company Secretary
Coles Myer Ltd

Ms Marian Gibney FCIS
Secretary & General Counsel
MIM Holdings Ltd

Mr Duncan Glasgow FCIS
Company Secretary & General Counsel
Oil Drilling & Exploration Limited

Mr Simon Grant FCIS
Group Secretary/General Counsel
Australian Unity Ltd

Mr Doug Gration FCIS
Company Secretary
Telstra Corporation Ltd

Mr Ian Gregory FCIS
Company Secretary
Iluka Resources Ltd

Mr John Hatton FCIS
Company Secretary
Commonwealth Bank Ltd

Ms Michaela Healey FCIS
Company Secretary
Orica Ltd

Mr Bill Hundy FCIS
Company Secretary
Origin Energy Ltd

Mr Keith Irvine FCIS
Consultant

Mr Trevor Jacobs FCIS

Mr Richard Jones FCIS (Chairman)
Manager Compliance
GP Secretariat
National Australia Bank Ltd

Mr Richard Kneebone FCIS
Consultant
BHP Billiton Ltd

Ms Karen Lange FCIS
Company Secretary
Woodside Energy Ltd

Mr Ross Mallett FCIS
Assistant Company Secretary
WMC Limited

Mr Peter Mathews FCIS
Acting Company Secretary
ANZ Banking Group Limited

Mr Robert Moon FCIS
Company Secretary
Adviser Newspapers Ltd

Mr John Rennie FCIS
Company Secretary
Pacific Dunlop Ltd

Mr Roger Taylor FCIS
Assistant Secretary
BHP Billiton Ltd

Mr Lawrence Tutton FCIS
Company Secretary
GUD Holdings Ltd

Ms Karen Wood FCIS
Company Secretary
BHP Billiton Ltd

Mr Bernard Yates FCIS
Company Secretary
West Australian Newspapers Ltd

Corporate and Legal Issues Committee

Mr Duncan Glasgow FCIS (Chairman)
Company Secretary & General Counsel
Oil Drilling & Exploration Limited

Mr Richard Anderson FCIS
Company Secretary
Nestle Australia

Mr Greg Bateman FCIS
Partner
Abbott Tout

Mr Paul Baranov FCIS
Senior Legal Counsel
Sydney Futures Exchange

Mr Nick Geddes FCIS
Director
Australian Company Secretaries Pty Ltd

Mr Bryce Hardman FCIS
Director — Corporate Secretarial Consulting Group
Ernst & Young

Mr Richard Jones FCIS
Manager Compliance GP Secretariat
National Australia Bank Ltd

Mr Bill Pallister FCIS
At year’s end, total membership was 8,036 as follows:

Membership by branch

- QLD (901)
- WA (695)
- SA (464)
- TAS (102)
- O’SEAS (258)

- NSW (3,499)

Membership by age

- 70+ (1,799)
- 60–69 (1,421)
- 50–59 (2,495)
- 40–49 (1,849)
- 30–39 (434)
- 20–29 (38)

Members advanced to Fellowship

The Board congratulates members who have advanced to Fellowship.

- Mr Robert Murray Anderson NSW
- Mrs Pia Anne Bentick-Owens SA
- Mr Gifford Edwy Bunt NSW
- Mrs Leanne Deborah Conrad VIC
- Mr David John Ellery VIC
- Mr Eng Ngiang Jiang Singapore
- Associate Professor John Philip Evans WA
- Mr Andrew Richard Haynes VIC
- Mr Dinyar Jim Marfatia WA
- Mr William Frank Mason NSW
- Mr Geoffrey Nigel O’Shea NSW
- Mr David John Penklis United Kingdom
- Mr Philip Gray Russell NSW
- Mr Philip William Thomas VIC
- Mr William Patrick Tully WA
- Mr Jalal Dean Ward WA
- Mr Douglas Charles Willox VIC
- Mr Wong Kwok Sing Hong Kong

Education Committee

Mr Laurie Factor FCIS (Chairman)
Senior Lecturer, School of Business Law
Curtin University of Technology

Professor Michael Adams FCIS
Professor of Corporate Law
University of Technology, Sydney

Assoc Professor Anthony Bailey FCIS
Director, VIS Nominees

Mr Barry Jardine FCIS
Legal Manager, Pauls Limited

Mr Ross Mallett FCIS
Assistant Company Secretary WMC Limited

Mr Desmond Moores FCIS
Senior Executive Officer
Corporate Services Division
Tasmanian Department of Infrastructure, Energy and Resources

Mr Christopher Symes FCIS
Senior Lecturer, Faculty of Law
Flinders University of South Australia

Professor Terry Walter FCIS
Head, School of Banking & Finance University of New South Wales

Journal Advisory Committee

Ms Sue Crook FCIS
Head of Australia Secretariat
National Australia Bank Ltd

Mr Frank McMahon
McMahon and Associates

Mr Paul Moni FCIS
National Accounting Adviser
Australian Securities & Investments Commission

Ms Vicki Offner FCIS
National GST Project Manager
QBE Insurance

Ms Carol Robey
Tax Accountant
Hydro-Electric Corp

Ms Gillian Swaby FCIS
Director & Company Secretary of a number of companies both listed and unlisted

Mr Christopher Symes FCIS
Senior Lecturer, Faculty of Law
Flinders University of South Australia
The Board

At a Special General Meeting (the SGM) held in Surfers Paradise on 27 November 2000, the members passed a resolution to adopt a new Constitution for CSA.

The new Constitution was a part of a series of documents, commencing with the new Delegation Agreement between the Institute of Chartered Secretaries and Administrators (ICSA) and its sub-committee the Committee for Australia (CFA), representing the Australian Division of ICSA.

The new Constitution came into effect on 1 January 2001 in conjunction with new Rules of the Australian Division (Rules).

The combined effect of the Constitution and Rules was to change ownership of the State branch network from CSA to CFA with CSA continuing to provide the infrastructure and management services to branches. From 1 January 2001 the Branch Councils became sub-committees of CFA.

The non-continuing members of the Board of CSA resigned on or about 17 February 2001. Resignations were accepted from: F W E Bush FCIS, N J Burrows FCIS, S E Crook FCIS, D W S Glasgow FCIS, R Mallett FCIS, R McNally FCIS, V Offner FCIS, G Swaby FCIS, G F White FCIS.

Continuing members of the Board of CSA for 2001 were: M A Adams FCIS, R J Barnier FCIS and A J Moir FCIS.

CFA is the delegate for ICSA. At its first meeting CFA appointed the following Directors to the Board of CSA, in accordance with the Constitution: R J Nankervis FCIS and R J McLachlan FCIS.

M A Adams FCIS resigned on 31 December 2001 and R J Barnier FCIS was appointed as the Chairman for 2002.

Details of Directors’ experience and qualifications are given at pages 19 to 20. In accordance with the Constitution, all Directors are members of ICSA and CSA and are resident within the Australian division.

The new Constitution has been in place for a full year and is working well.

Directors do not receive remuneration for serving as Directors. They are, however, entitled to reimbursement of expenses incurred in carrying out their duties, in particular travel and accommodation.

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### Directors’ meetings

During 2001 the following meetings were held and attendances by Directors were:

<table>
<thead>
<tr>
<th>Board</th>
<th>Executive Committee</th>
<th>Audit and Compliance</th>
<th>Remuneration and Appointments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number eligible to attend</td>
<td>Number attended</td>
<td>Number eligible to attend</td>
</tr>
<tr>
<td>M A Adams</td>
<td>9</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>R J Barnier</td>
<td>9</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>N J Burrows</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>F W E Bush</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>S E Crook</td>
<td>1</td>
<td>1</td>
<td></td>
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<tr>
<td>D W S Glasgow</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>R J McLachlan</td>
<td>8</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>R C McNally</td>
<td>1</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>A J Moir</td>
<td>9</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>R J Nankervis</td>
<td>8</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>G Swaby</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>G F White</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

* As permitted under the Constitution, a non-director was appointed as Chairman of Audit & Compliance Committee.
in association with attending meetings. The Board has a formal policy governing these expenses. This includes a requirement that a Fellow of the Institute, appointed by the Board but not a Director, must approve the expenditure as appropriate and within the policy.

Directors, however, may also carry out other roles for CSA such as lecturing in the education subjects. They are then remunerated on the same basis as other lecturers, independently from their role as Directors.

**Board responsibilities**
The Board has adopted policies that define the respective roles and responsibilities of:
- The Board
- The Chairman
- Directors.

The Board also has adopted policies covering its own operation and certain key aspects of CSA’s administration, including EEO issues, investments and database confidentiality.

CSA respects privacy and is committed to complying with the National Privacy Principles as contained in the Privacy Act 1988. As a result, CSA has implemented its Privacy Policy from 21 December 2001.

**Committees**
In assisting the Board in meeting its governance responsibilities the Audit and Compliance Committee exercises prudential oversight of CSA’s operations generally, especially its financial control and reporting, risk management and compliance with statute, regulation and ethical standards. CSA’s external auditor attends meetings of this committee.

At the Annual General Meeting held on 30 April 2001, new auditors were appointed.

As permitted under the Constitution, CSA appointed a non-director as Chairman of the Audit and Compliance Committee.

Remuneration and appointment matters are dealt with by the full Board.

**Communication**
The Board communicates directly with members whenever necessary via CSA’s national journal *Keeping good companies*. The journal is published eleven times a year and is sent to every Member who wishes to receive it.

**Ethical standards**
CSA has a comprehensive code of professional ethics to which all Directors and those in senior management subscribe. All other members of staff are also encouraged to abide by this code.

**Advisory committees**
In addition to Directors’ meetings, individual Directors may serve in a personal capacity on one or more advisory committees.

These committees are established to oversee and advise the Board on different aspects of CSA’s activities on behalf of members. In 2001 these committees were:
- Education Committee
- Legislation Review Committee
- Corporate and Legal Issues Committee
- Journal Advisory Committee.

The Board receives regular reports and recommendations, as appropriate, from each of these committees.

**Environmental issues**
The nature of CSA and its activities means that environmental issues have not arisen. The Board, however, is sensitive to its responsibilities in this regard and will take appropriate action should such matters arise.

**Board performance and management appraisal**
The Board believes that its corporate governance practices should be indicative of best practice for an organisation of its type and, as far as possible, for corporations generally.

The Board, therefore, keeps all areas of CSA’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.

Providing leadership to management is a priority of the Board and is a key strategy within CSA’s governance.

Senior management attend relevant portions of each Board meeting. A program of regular performance appraisals and objective setting for senior management and other staff is in place.

Management remuneration is set and reviewed in the context, among other criteria, of these appraisals.
Your Directors present this report on the company for the financial year ended 31 December 2001.

Statutory details of the Directors are given in Note 16 to the financial statements on pages 19 to 20.

Activities
The principal activities of CSA during the year were to promote and advance the efficient governance, management and administration of commerce, industry and public affairs by 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.

Financial results
An operating profit of $148,614 was made for the year after abnormal items and income tax.
Accumulated Funds at year end totalled $3,124,690

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

Review of operations
Revenue for the year primarily came from subscriptions of $1,934,065; course fees of $887,323; member services and publications of $468,851; sponsorship of $324,471; investments of $107,164.

Expenditure for the year was primarily on direct costs for member services and publications of $454,289; direct costs for courses of $395,217; profile raising activities and website maintenance of $160,438; international activities of $158,095; governance and administration of $2,405,221.

Likely developments
Likely developments in the operations of CSA and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to CSA.

Environmental regulations
CSA’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.
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.

Payments to the Directors and to entities from which the Directors may benefit for services by the Directors or entities to the Company Secretaries’ education programs are disclosed in Note 16 to the financial statements on pages 19 to 21.

No other Directors of CSA, during or since the end of the financial year, received or has 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 or of a related body corporate) by reason of a contract made by CSA 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.

Attendance at Directors’ meetings
Attendance by individual Directors (including when represented by an alternate) at meetings they were entitled to attend is given on page 8.

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.

On behalf of the Board by resolution of the Directors:

R J Barnier FCIS
Director

A J Moir FCIS
Director
SYDNEY 13 March 2002

mission statement

The promotion and advancement
of effective governance and administration of organisations
in the private and public sectors through the continued
development and application
of corporate governance and administrative best practice.

Our objectives are to …

- position Chartered Secretaries Australia as the authority and leading advocate of best practice in corporate governance and administration
- ensure members are at the forefront of their profession
- be the leading provider of technical information and support in corporate governance and administration
- broaden Chartered Secretaries Australia’s relevance beyond the role of the Company Secretary
- foster revenue diversification.
## financial report

### statement of financial performance

for the year ended 31 December 2001

<table>
<thead>
<tr>
<th>Note</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>REVENUE FROM ORDINARY ACTIVITIES</td>
<td>2</td>
<td>3,721,874</td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel costs</td>
<td></td>
<td>1,565,526</td>
</tr>
<tr>
<td>Courses</td>
<td></td>
<td>395,217</td>
</tr>
<tr>
<td>Journal</td>
<td></td>
<td>284,324</td>
</tr>
<tr>
<td>Occupancy and Branch facilities</td>
<td></td>
<td>204,947</td>
</tr>
<tr>
<td>Profile</td>
<td></td>
<td>160,438</td>
</tr>
<tr>
<td>Members’ activities</td>
<td></td>
<td>169,965</td>
</tr>
<tr>
<td>ICSA, UK — capitation fee</td>
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<td>121,175</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td></td>
<td>137,449</td>
</tr>
<tr>
<td>Depreciation and amortisation expenses</td>
<td></td>
<td>130,017</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td></td>
<td>404,202</td>
</tr>
</tbody>
</table>

| PROFIT/(LOSS) FROM ORDINARY ACTIVITIES | | |
| before income tax expense | 3 | 148,614 | (136,499) |
| Income tax expenses relating to ordinary activities | 1 | – | – |

| NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES | | |
| after income tax | 148,614 | (136,499) |

| Total revenues, expenses and valuation adjustments recognised in equity | 4 | 150,000 | 50,000 |

| TOTAL CHANGES IN EQUITY | 298,614 | (86,499) |

The Financial Statements should be read in conjunction with the accompanying notes.
## statement of financial position

as at 31 December 2001

<table>
<thead>
<tr>
<th>Note</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>7</td>
<td>1,340,445</td>
</tr>
<tr>
<td>Receivables</td>
<td>8</td>
<td>51,930</td>
</tr>
<tr>
<td>Other</td>
<td>9(a)</td>
<td>175,597</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td></td>
<td>1,567,972</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>10</td>
<td>2,060,550</td>
</tr>
<tr>
<td>Other</td>
<td>9(b)</td>
<td>57,837</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td></td>
<td>2,118,387</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>3,686,359</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>11</td>
<td>97,642</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>12</td>
<td>314,529</td>
</tr>
<tr>
<td>Provisions</td>
<td>13(a)</td>
<td>94,374</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td>14</td>
<td>52,993</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td></td>
<td>559,538</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>13(b)</td>
<td>2,131</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td>2,131</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>561,669</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>3,124,690</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>4</td>
<td>1,063,033</td>
</tr>
<tr>
<td>Retained profits</td>
<td>5</td>
<td>2,061,657</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>3,124,690</td>
</tr>
</tbody>
</table>

The Financial Statements should be read in conjunction with the accompanying notes.
**statement of cash flows**
for the year ended 31 December 2001

<table>
<thead>
<tr>
<th>Note</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions received</td>
<td>1,976,490</td>
<td>1,731,845</td>
</tr>
<tr>
<td>Receipts from courses and other activities</td>
<td>1,953,393</td>
<td>1,186,121</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(3,659,605)</td>
<td>(3,161,227)</td>
</tr>
<tr>
<td>Interest received</td>
<td>99,550</td>
<td>124,736</td>
</tr>
<tr>
<td>GST paid</td>
<td>(88,239)</td>
<td>(73,252)</td>
</tr>
<tr>
<td>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</td>
<td>18(b)</td>
<td>281,589</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (222,235) | (60,931) |
| Payments for website development | – | (101,500) |
| NET CASH USED IN INVESTING ACTIVITIES | (222,235) | (162,431) |

Net increase/(decrease) in cash held | 59,354 | (354,208) |
Cash at the beginning of year | 1,283,460 | 1,637,668 |

| CASH AT END OF YEAR | 18(a) | 1,342,814 | 1,283,460 |

The Financial Statements should be read in conjunction with the accompanying notes.
notes to the financial statements
for the year ended 31 December 2001

NOTE 1 — STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

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. Costs are based on the fair values of the consideration given in exchange for assets.

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 is an incorporated company limited by guarantee. In the event of CSA being wound up, the liability of each Member, or each former Member who ceased to be a Member within a year of CSA being wound up, is limited to an amount not exceeding One Hundred Dollars. As CSA is limited by guarantee, there is no reference in the Statement of Financial Position to share capital or shareholders’ equity. As at 31 December 2001 there were 8,036 members (2000:8,309).

(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.

Property
The strata entitlement to Level 9, 70 Castlereagh Street, Sydney, is revalued on an annual basis to market value as this accurately reflects the future economic benefits embodied in the asset. The carrying value of the strata entitlement is depreciated in accordance with this policy and AASB 1021. During the current period, the Directors’ re-assessed 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. The depreciation charge for the prior year was nil as the net present value of the amount likely to be realised on disposal of the asset was estimated to approximate its current carrying value. Details of the revaluation are disclosed in Note 10.

Plant and equipment
Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by CSA 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.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over the useful lives of the assets to CSA, 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 depreciation rates used for each class of depreciable asset are:

<table>
<thead>
<tr>
<th>Class of Fixed Asset</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building — strata entitlement</td>
<td>1.33%</td>
</tr>
<tr>
<td>Strata and leasehold improvements</td>
<td>20.00%</td>
</tr>
<tr>
<td>Computer system, furniture and office equipment</td>
<td>33.33%</td>
</tr>
</tbody>
</table>

(c) Website development costs
Website development costs, being the costs incurred developing the website to the operational stage, are recognised as a non-current asset where it is probable that future economic benefits will arise. Costs associated with the subsequent maintenance of the website are expensed.

Website development costs are amortised over the shorter of the periods in which the related benefits are expected to be realised, or three years.

(d) Income Tax
CSA is for Income Tax purposes a charitable and educational institution. Its income is therefore exempt from Income Tax under Section 50-5 of the Income Tax Assessment Act 1997.
NOTE 1 — STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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) Cash
For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(g) Employee entitlements
Annual leave liability is accrued in respect of leave due but not taken plus accrued leave at balance date in accordance with applicable awards.

Provision for long service leave is calculated in respect of all employees from their date of employment. The basis of calculation is in accord with AASB 1028 and AAS 30.

(h) Revenue recognition
Revenue represents income earned from membership subscriptions and the provision of related services. Membership subscription revenue is recognised progressively over the subscription period. 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.

(i) 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 Queensland Branch Council. The financial statements of trust funds are not consolidated with those of CSA but are shown in Note 19.

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

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member and student subscriptions</td>
<td>1,934,065</td>
<td>1,797,739</td>
</tr>
<tr>
<td>Course fees</td>
<td>887,323</td>
<td>776,652</td>
</tr>
<tr>
<td>Members’ activities</td>
<td>439,030</td>
<td>323,081</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>324,471</td>
<td>225,223</td>
</tr>
<tr>
<td>Journal</td>
<td>29,821</td>
<td>29,460</td>
</tr>
<tr>
<td>Interest</td>
<td>107,164</td>
<td>125,918</td>
</tr>
<tr>
<td></td>
<td>3,721,874</td>
<td>3,278,073</td>
</tr>
<tr>
<td>Non-operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,721,874</td>
<td>3,278,073</td>
</tr>
</tbody>
</table>

NOTE 2 — REVENUE

Profit from ordinary activities before income tax expense has been determined after:

Expenses

- Depreciation of non-current assets:
  - Buildings | 11,000 |
  - Plant and equipment | 80,466 | 128,571 |
- Amortisation of non-current assets:
  - Leasehold improvements | 4,718 | 2,154 |
  - Website developments | 33,833 | 9,830 |
### NOTE 3 — PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental expenses on operating leases</td>
<td>54,025</td>
<td>36,202</td>
</tr>
<tr>
<td>Auditors’ remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>22,000</td>
<td>27,600</td>
</tr>
<tr>
<td>Other services</td>
<td>8,620</td>
<td>26,014</td>
</tr>
</tbody>
</table>

### NOTE 4 — RESERVES

<table>
<thead>
<tr>
<th>Reserves</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Profits Reserves</td>
<td>745,933</td>
<td>745,933</td>
</tr>
<tr>
<td>Works of Art Revaluation Reserve</td>
<td>17,100</td>
<td>17,100</td>
</tr>
<tr>
<td>Asset Revaluation Reserve</td>
<td>300,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Movement during the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Asset revaluation reserve</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>150,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Revaluation increment on strata entitlement — refer Note 10</td>
<td>150,000</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Closing Balance</strong></td>
<td>300,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

### NOTE 5 — RETAINED PROFITS

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained profits at beginning of the year</td>
<td>1,913,043</td>
<td>2,049,542</td>
</tr>
<tr>
<td>Net profit / (loss) for the year</td>
<td>148,614</td>
<td>(136,499)</td>
</tr>
</tbody>
</table>

**RETIRED PROFITS AT THE END OF THE YEAR**

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,061,657</td>
<td>1,913,043</td>
</tr>
</tbody>
</table>

### NOTE 6 — REMUNERATION

Directors’ remuneration

Directors do not receive any income from the entity for their services as Directors.

Income received or due and receivable by Directors of CSA

Number of Directors whose income from CSA was within the range:

- $0 – $10,000: 19
- $10,000 – $25,000: 1
- $25,000 – $35,000: 12

### NOTE 7 — CASH ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>700</td>
<td>750</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>41,774</td>
<td>181,182</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>1,300,340</td>
<td>1,101,528</td>
</tr>
<tr>
<td></td>
<td>1,342,814</td>
<td>1,283,460</td>
</tr>
<tr>
<td>Untaxed interest</td>
<td>(2,369)</td>
<td>(9,983)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL CASH ASSETS</strong></td>
<td>1,340,445</td>
<td>1,273,477</td>
</tr>
</tbody>
</table>

### NOTE 8 — RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>42,170</td>
<td>158,414</td>
</tr>
<tr>
<td>Net GST — input tax credit</td>
<td>9,760</td>
<td>32,528</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL RECEIVABLES</strong></td>
<td>51,930</td>
<td>190,942</td>
</tr>
</tbody>
</table>
NOTE 9 — OTHER ASSETS

(a) Current

<table>
<thead>
<tr>
<th>Item</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>96,274</td>
<td>47,791</td>
</tr>
<tr>
<td>Merchandise</td>
<td>7,048</td>
<td>1,528</td>
</tr>
<tr>
<td>Prepaid ICSA capitation fee</td>
<td>72,275</td>
<td>68,209</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>175,597</td>
<td>117,528</td>
</tr>
</tbody>
</table>

(b) Non-current

<table>
<thead>
<tr>
<th>Item</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website development costs</td>
<td>101,500</td>
<td>101,500</td>
</tr>
<tr>
<td>Deduct provision for amortisation</td>
<td>(43,663)</td>
<td>(9,830)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>57,837</td>
<td>91,670</td>
</tr>
</tbody>
</table>

NOTE 10 — PROPERTY PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th>Item</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building — strata entitlements at Directors’ valuation</td>
<td>1,800,000</td>
<td>1,650,000</td>
</tr>
<tr>
<td>— improvements to building at cost</td>
<td>394,857</td>
<td>391,053</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,194,857</td>
<td>2,041,053</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>150,176</td>
<td>18,734</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortisation</td>
<td>(424,384)</td>
<td>(408,666)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,920,649</td>
<td>1,651,121</td>
</tr>
<tr>
<td>Computer system, furniture and office equipment at cost</td>
<td>761,844</td>
<td>674,855</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(639,043)</td>
<td>(558,577)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>122,801</td>
<td>116,278</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works of art at valuation</td>
<td>17,100</td>
<td>17,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,920,649</td>
<td>1,651,121</td>
</tr>
</tbody>
</table>

For the strata unit, Level 9, 70 Castlereagh Street, Sydney, The Board policy, recognising statutory requirements for balance sheet 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. The Directors have determined a revised value of $1,800,000 as at 31 December 2001 ($1,650,000 as at 31 December 2000) based upon current market opinion.

Valuer: Troy Griffiths, Director of Chesterton International (NSW) Pty Ltd
Qualification: MCom, Fellow of the Australian Property Institute, Certified Practicing Valuer

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

<table>
<thead>
<tr>
<th></th>
<th>Computer systems, furniture and office equipment</th>
<th>Property and leasehold improvements</th>
<th>Works of art</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>116,278</td>
<td>1,651,121</td>
<td>17,100</td>
<td>1,784,499</td>
</tr>
<tr>
<td>Additions</td>
<td>86,989</td>
<td>135,246</td>
<td>222,235</td>
<td></td>
</tr>
<tr>
<td>Revaluation increment</td>
<td>150,000</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(80,466)</td>
<td>(15,718)</td>
<td>(96,184)</td>
<td></td>
</tr>
<tr>
<td><strong>CARRYING AMOUNT AT END OF THE YEAR</strong></td>
<td>122,801</td>
<td>1,920,649</td>
<td>17,100</td>
<td>2,060,550</td>
</tr>
</tbody>
</table>
NOTE 11 — PAYABLES

Current
Trade creditors and accruals 97,642 100,021

NOTE 12 — DEFERRED REVENUE
Subscriptions and fees in advance 314,529 403,876

NOTE 13 — PROVISIONS

(a) Current
Provision for annual leave 67,121 42,765
Provision for conditional/unconditional long service leave 27,253 20,205

94,374 62,970

(b) Non-current
Provision for preconditional long service leave 2,131 1,088

Average number of full-time employees 21 20

NOTE 14 — TAX LIABILITY
Payroll and PAYG Tax payable 43,375 47,174
Fringe Benefits Tax payable 9,618 16,911

TOTAL TAX LIABILITY 52,993 64,085

NOTE 15 — EXPENDITURE 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 58,407 36,202
Later than one but not later than five 207,103 6,034
Later than five years 84,707 –

350,217 42,236

There are capital expenditure commitments:
Capital expenditure commitments contracted for at balance date but not recognised as liabilities, payable not later than one year. 35,186 –

NOTE 16 — RELATED PARTY DISCLOSURES

(a) Names of related parties
The names of the Directors who held office during the year are:

M A Adams BA (Hons) LLM FCIS MACE (appointed 1.1.97)
Experienced in corporate law and legal education. Professor in the Faculty of Law, University of Technology, Sydney. ICSA Council since 1.1.98. Vice President from 1.1.00 to 31.12.00. President from 1.1.01 to 31.12.01 (resigned 31.12.01).

R J Barnier BJuris LLB FCIS (appointed 1.1.95)
Experienced in business and office management, secretaryship, client servicing and business development. Corporate Secretary, Melbourne Health. President from 1.1.99 to 31.12.00. ICSA Council from 1.1.95 to 31.12.95 and since 1.1.97. Appointed Vice President of ICSA Council for 2001 and 2002.
NOTE 16 — RELATED PARTY DISCLOSURES (CONTINUED)

N J Burrows BCom FCIS ACA ASIA CEFP MAICD (appointed 1.1.99)
Experienced in secretarialship, corporate taxation, treasury and finance, corporate planning and strategic
development, and human resources. General Manager — Finance and Administration, Tassal Limited (resigned 5.3.01).

F W E Bush FCIS FSIA Solicitor (appointed 21.1.99)
Experienced in company secretarial practice and corporate law. Assistant Company Secretary, Aristocrat Leisure Ltd (resigned 18.2.01).

S E Crook BA LLB MBA FCIS FSIA MAICD (appointed 2.1.99)
Experienced in secretariatship, compliance, risk management, commercial law and investment banking. Head of Australian Secretariat, National Australia Bank Ltd (resigned 17.2.01).

D W S Glasgow BA LLB Dip CM FCIS (appointed 17.2.00)
Experienced in corporate law, secretariatship, acquisitions and divestments, legal services to fund management and
superrannuation sectors. Company Secretary and General Counsel, Oil Drilling & Exploration Limited (resigned 18.2.01).

R E Mallet BBus FCIS CPA (appointed 17.2.00)
Experienced in secretariatship, administration and financial management. Assistant Company Secretary, WMC Ltd (resigned 7.2.01).

R J McLachlan FCIS MRSA (appointed 13.3.01)
Experienced in company secretarial practice, financial and general management, acquisitions and strategic
planning. Finance Director/Company Secretary, AC Nielsen Australia Pty Ltd and associated companies since 1987.

R C McNally LLB FCIS MAICD (appointed 10.2.00)
Experienced in corporate law, company secretariatship, statutory compliance and management. Sugar Industry
Commissioner for Queensland (resigned 2.3.01).

A J Moir FCIS FCPA MAICD (appointed 21.1.98)
Experienced in secretariatship, administration and financial management. Company Secretary, Leighton Holdings Ltd. Vice President from 1.1.99 to 31.12.00.

R J Nankervis BBus Grad Dip Bus Mgt FCIS CPA (appointed 1.3.01)
Experienced in financial systems, accounting and management. Manager Consulting Services, SMS Management & Technology Limited.

V Offner BCom AdipA(Math/Computing) FCIS CPA (appointed 24.2.00)
Experienced in financial systems and project management. National GST Project Manager, QBE Insurance (Australia) Ltd (resigned 7.2.01).

G Swaby BBus FCIS FAICD (appointed 15.7.00)
Experienced in Secretariatship, Financial and Company Management. Director and Company Secretary of a number of listed and unlisted companies (resigned 17.2.01).

G F White RFD BEc FCIS FCPA (appointed 4.2.99)
Experienced in secretariatship, general and financial management. Business Manager, St Michael’s College. South Australia (resigned 17.2.01).

<table>
<thead>
<tr>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>121,174</td>
<td>112,421</td>
</tr>
<tr>
<td>33,633</td>
<td>21,080</td>
</tr>
</tbody>
</table>
### NOTE 16 — RELATED PARTY DISCLOSURES (CONTINUED)

<table>
<thead>
<tr>
<th>(iii) Payments to Mr F W E Bush for his services to the education program</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>2,526</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(iv) Payments to Ms S Crook for her services to the education program</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>1,240</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(v) Payments to Mr L Factor for his services to the education program</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>13,100</td>
</tr>
</tbody>
</table>

### NOTE 17 — SEGMENT REPORTING

CSA operates predominantly as a professional association providing education and promotion of the advancement of effective governance and administration of organisations in the private and public sectors. These operations are in Australia and the revenue from operations is as disclosed per Note 2.

### NOTE 18 — CASH FLOW INFORMATION

(a) **Reconciliation of cash**

<table>
<thead>
<tr>
<th>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:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Cash on deposit</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

(b) **Reconciliation of cashflow from operations with profit from ordinary activities after income tax:**

<table>
<thead>
<tr>
<th>Profit from ordinary activities after income tax</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-cash flows in profit from ordinary activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>91,466</td>
<td>128,571</td>
</tr>
<tr>
<td>Amortisation</td>
<td>38,551</td>
<td>11,984</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decreases/(increase) in receivables</td>
<td>139,012</td>
<td>(115,906)</td>
</tr>
<tr>
<td>(Increase) in merchandise for sale</td>
<td>(5,520)</td>
<td>(903)</td>
</tr>
<tr>
<td>(Increase)/decrease in prepayments</td>
<td>(52,549)</td>
<td>1,671</td>
</tr>
<tr>
<td>(Decrease)/increase in accounts payable</td>
<td>(13,470)</td>
<td>106,225</td>
</tr>
<tr>
<td>(Decrease) in unearned interest</td>
<td>(7,614)</td>
<td>(1,182)</td>
</tr>
<tr>
<td>(Decrease) in income in advance</td>
<td>(89,347)</td>
<td>97,249</td>
</tr>
<tr>
<td>Charges to provisions</td>
<td>32,446</td>
<td>(88,489)</td>
</tr>
</tbody>
</table>

**NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>281,589</td>
<td>(191,777)</td>
</tr>
</tbody>
</table>

### NOTE 19 — TRUST FUNDS

#### Statement of Financial Position

<table>
<thead>
<tr>
<th>Trust Fund</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Institute Trust</td>
<td>47,464</td>
<td>43,699</td>
</tr>
<tr>
<td>John Goffage Fund</td>
<td>1,640</td>
<td>1,730</td>
</tr>
<tr>
<td></td>
<td>49,104</td>
<td>45,429</td>
</tr>
</tbody>
</table>

Represented by:

- Current assets:
  - Cash at bank and on deposit
<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>49,104</td>
<td>45,429</td>
</tr>
</tbody>
</table>

#### Statement of Financial Performance

<table>
<thead>
<tr>
<th>Income:</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>1,900</td>
<td>2,168</td>
</tr>
<tr>
<td>Expenditure:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prizes</td>
<td>(175)</td>
<td>(96)</td>
</tr>
</tbody>
</table>

**SURPLUS FOR THE YEAR**

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,725</td>
<td>2,072</td>
</tr>
</tbody>
</table>
NOTE 20 — FINANCIAL INSTRUMENTS

(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.

(b) Interest rate risk

The company’s exposure to interest rate risk, which 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 is as follows:

<table>
<thead>
<tr>
<th>Weighted average</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>4.88</td>
<td>6.09</td>
</tr>
</tbody>
</table>

(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.

NOTE 21 — 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.

NOTE 22 — CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2001.

NOTE 23 — COMPANY DETAILS

The principal place of business of the company is:
Level 9, 70 Castlereagh Street
Sydney NSW 2000 Australia

Company Secretary
Stan Jodeikin BCom, Dip Bus Mgt (Hons), CFA (SA), Grad Dip Accounting, FCIS, ASA, AFAIM
directors’ declaration
CHARTERED SECRETARIES AUSTRALIA LTD

The Directors of the company declare that:
1. The financial statements and notes, as set out on pages 12 to 22.
   (a) comply with Accounting Standards and the Corporations Act 2001; and
   (b) give a true and fair view of the financial position as at 31 December 2001 and 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.
Dated at Sydney this 13th day of March 2002.

R J Barnier FCIS
Director

A J Moir FCIS
Director

independent audit report
CHARTERED SECRETARIES AUSTRALIA LTD

Scope
We have audited the attached financial report of Chartered Secretaries Australia Limited for the year ended
31 December 2001 as set out in the Statement of Financial Performance, Statement of Financial Position,
Statement of Cash Flows, Notes to the Financial Statements and Directors’ Declaration per pages 12 to 23. The
company's Directors are responsible for the financial report. We have conducted an independent audit of this
financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance
whether the financial report is free of material misstatement. Our procedures included examination, on a test
basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of
accounting policies and significant accounting estimates. These procedures have been undertaken to form an
opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting
Standards and other mandatory professional reporting requirements and statutory requirements so as to present
a view which is consistent with our understanding of the company’s financial position and performance as
represented by the results of its operations and cashflows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In our opinion, the financial report of Chartered Secretaries Australia Limited is in accordance with
(a) the Corporations Act 2001, including:
   (i) giving a true and fair view of the company’s financial position as at 31 December 2001 and their
       performance for the year ended on that date; and
   (ii) complying with Accounting Standards and the Corporations Regulations; and
(b) other mandatory professional reporting requirements.

Dated at Sydney this 13th day of March 2002.

WILLIAMS HATCHMAN & KEAN
Chartered Accountants

DAMIAN SINCLAIR
Partner
## Detailed Operating Profit and Loss Accounts

### for the five years 1997–2001

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member and student subscriptions</td>
<td>1,934,065</td>
<td>1,797,739</td>
<td>1,886,238</td>
<td>1,947,471</td>
<td>1,946,416</td>
</tr>
<tr>
<td>Course fees</td>
<td>887,323</td>
<td>776,652</td>
<td>720,640</td>
<td>768,040</td>
<td>692,330</td>
</tr>
<tr>
<td>Members' activities</td>
<td>439,030</td>
<td>323,081</td>
<td>313,432</td>
<td>259,647</td>
<td>308,879</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>324,471</td>
<td>225,223</td>
<td>271,317</td>
<td>159,068</td>
<td>148,328</td>
</tr>
<tr>
<td>Interest</td>
<td>107,164</td>
<td>125,918</td>
<td>106,433</td>
<td>103,980</td>
<td>117,881</td>
</tr>
<tr>
<td>Journal</td>
<td>29,821</td>
<td>29,460</td>
<td>31,291</td>
<td>34,248</td>
<td>47,841</td>
</tr>
<tr>
<td>Publications and merchandise†</td>
<td>–</td>
<td>–</td>
<td>6,683</td>
<td>1,878</td>
<td>4,678</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courses</td>
<td>395,217</td>
<td>353,206</td>
<td>339,256</td>
<td>443,102</td>
<td>338,589</td>
</tr>
<tr>
<td>Personnel</td>
<td>1,565,526</td>
<td>1,332,454</td>
<td>1,290,715</td>
<td>1,175,816</td>
<td>1,154,187</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>137,449</td>
<td>107,243</td>
<td>122,914</td>
<td>94,798</td>
<td>108,826</td>
</tr>
<tr>
<td>Journal</td>
<td>284,324</td>
<td>311,398</td>
<td>237,905</td>
<td>235,976</td>
<td>245,335</td>
</tr>
<tr>
<td>Occupancy and branch facilities</td>
<td>204,947</td>
<td>237,891</td>
<td>272,100</td>
<td>286,072</td>
<td>273,636</td>
</tr>
<tr>
<td>ICSA, UK — capitation fee</td>
<td>121,174</td>
<td>112,421</td>
<td>105,362</td>
<td>110,119</td>
<td>93,575</td>
</tr>
<tr>
<td>International representation</td>
<td>36,921</td>
<td>40,024</td>
<td>51,781</td>
<td>35,962</td>
<td>44,419</td>
</tr>
<tr>
<td>Publications and merchandise†</td>
<td>–</td>
<td>–</td>
<td>101,978</td>
<td>119,890</td>
<td>97,050</td>
</tr>
<tr>
<td>Members' activities</td>
<td>169,965</td>
<td>155,160</td>
<td>184,045</td>
<td>209,130</td>
<td>262,671</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>55,257</td>
<td>94,189</td>
<td>89,244</td>
<td>81,229</td>
<td>89,537</td>
</tr>
<tr>
<td>Telephone, facsimile and e-mail</td>
<td>87,633</td>
<td>62,635</td>
<td>40,030</td>
<td>41,984</td>
<td>40,839</td>
</tr>
<tr>
<td>Profile and website maintenance‡</td>
<td>160,438</td>
<td>200,112</td>
<td>279,212</td>
<td>200,583</td>
<td>149,263</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>41,727</td>
<td>45,169</td>
<td>35,411</td>
<td>31,151</td>
<td>42,905</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>49,956</td>
<td>60,915</td>
<td>52,391</td>
<td>46,658</td>
<td>40,460</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>130,017</td>
<td>140,555</td>
<td>116,536</td>
<td>78,534</td>
<td>81,013</td>
</tr>
<tr>
<td>Auditors</td>
<td>30,620</td>
<td>53,614</td>
<td>27,600</td>
<td>27,600</td>
<td>27,600</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>51,797</td>
<td>65,186</td>
<td>55,297</td>
<td>59,983</td>
<td>34,050</td>
</tr>
<tr>
<td>Insurance</td>
<td>25,063</td>
<td>28,144</td>
<td>25,966</td>
<td>23,575</td>
<td>25,129</td>
</tr>
<tr>
<td>Professional services</td>
<td>25,229</td>
<td>14,256</td>
<td>82,505</td>
<td>18,124</td>
<td>49,716</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT / (LOSS):</strong></td>
<td>148,614</td>
<td>(136,499)</td>
<td>(173,404)</td>
<td>(45,954)</td>
<td>67,553</td>
</tr>
</tbody>
</table>

† From 1 January 2000 publications of the State newsletters were included with journal expenses.

‡ Includes amounts devoted to the three-year campaign to raise the Company's profile, reported in 1997 to 2000 Annual Reports.

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