Chartered Secretaries Australia promotes and advances effective governance in Australian organisations and the wider community. We principally do this by training people so they can advise their organisations on good governance practice and then support them as Members, including through advocating for sound regulatory frameworks. This is our public good.

We know whether we've done a good job by tracking the following metrics that are aligned to our mission statement. We focus on the lifecycle of our students and so we track how many people graduate from our courses, both postgraduate and open-entry, and then progress to membership.

Then we focus on our Members’ level of satisfaction as measured by retention rates and satisfaction surveys from independent third parties. This tells us whether or not we have been providing what our Members want. If our retention rate or Member satisfaction levels drop, we know without a doubt that we have some work to do.

Finally, we look at our human and financial capital. We look at our mix of revenue, staff turnover and training budget as all are critical if we are to be sustainable in the longer term.

By putting it all together our objectives are always to ensure that:
- CSA is recognised as the leading independent voice of best practice in governance and risk management
- we proactively support governance professionals as the leading provider of quality intellectual property, higher education, training and support, and
- we engage with and bring value to the full range of governance professionals.
The 2013 Annual Professions Study conducted by Beaton Research + Consulting provided a benchmark for 26 associations' performance as measured by responses to surveys of their members. CSA remains the leader overall when benchmarked against other participating peer associations.

### Key metrics

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This year you will note that your Board has made a commitment to better inform our stakeholders about the strategies, priorities and successes of Chartered Secretaries Australia (CSA) through the publication of an integrated report.

We are pleased to report that 2012 was a productive year for Chartered Secretaries Australia. Your Board balances allocating the organisation’s resources between our significant and recognised contribution to the policy debate, developing significant intellectual property for public use to improve governance and risk management practice, rolling out improved infrastructure and preserving the future of the organisation both in human and financial capital.

CSA’s long-stated mission to promote and advance effective governance in all sectors has never been more relevant. The proposed changes to the regulatory framework of the not-for-profit (NFP) sector and the increased focus on listed companies as earnings come under pressure are just two examples of the need for strong governance advocacy and capacity building.

It is through membership and the education and training of professionals to attain membership that we fulfil our mission. There have been three levels of membership in CSA since 2009 when Certificated membership was introduced to complement the levels of Associate and Fellow. All three levels are structured to recognise and support professionals throughout their career and to encourage the practice of good governance.

Membership satisfaction and retention continue to be key metrics for CSA. Once again, CSA was ranked highest among its peer group for overall performance in the Annual Professions Study run by Beaton Research + Consulting. CSA has been first for a number of years and will work hard to keep this ranking into the future. Membership retention remains very high as well, with 96.4 per cent of Associate and Fellow Members and 90.6 per cent of Certificated Members renewing their memberships during 2012.

On the NFP regulatory reform front, CSA was a long-time advocate that the legislation establishing the new regulator, the Australian Charities and Not-for-profits Commission (ACNC) should be separated from the legislation governing the entities it regulates. In May, the government announced just such a two-staged approach to the NFP reform process. This is a very good outcome for the NFP sector and a testament to the expertise and knowledge of our Members, who first put this recommendation before the government.

During 2012 there was a substantial increase in the intellectual property that CSA freely makes available in order to improve the capacity of governance professionals and the practice of governance generally. For example, 2012 saw the release of...
Guidelines on managing voting exclusions on remuneration-related resolutions — endorsed by the Australian Securities & Investments Commission (ASIC) — a Good Governance Guide on Issues to consider in the use of tablets for accessing board papers, templates for a Best practice agenda and Best practice minutes as well as Guidelines for managing the requirements of a second strike.

In March 2012 a new website was launched with increased services for Members and the wider community. Over the last three years, substantial upgrades have been made to our information technology architecture that have enabled this new website to be developed and we are pleased to see an increase in traffic of over 27 per cent since the launch.

Finally, CSA is in a good position financially. Trading conditions have continued to improve with our programs of short seminars and workshops again being the stand-out for 2012. We made a conscious decision to assist Members improve a broader range of their skills and the record attendances have continued to see strong increases in revenue in this part of the business.

CSA’s revenue is well diversified and overheads are managed at effective levels. At this stage we expect total revenue from Member and subscriber fees to be on par with the last couple of years at 29.6 per cent, gross margins to be consistent with 2011 and a surplus of $149,556 to be generated for the year.

Conclusion

In closing, 2012 has continued expansion outside historical markets, and seen CSA make significant contributions to Australia’s governance knowledge, capacity and legislative framework.

We would like to take this opportunity to thank all of the Members and staff of CSA who have assisted the organisation by teaching, serving on state councils and policy committees, and contributing to the development of information and other activities. We could not have achieved so much without you.
Our commitment to integrated reporting

The Board and management of CSA strongly support effective disclosure as a foundation principle of good governance.

We are committed to providing an integrated report to CSA Members that is clear and unambiguous about the company’s structure, operations and performance. Our objective is to provide insight to our Members and other stakeholders that the company is fulfilling our mission to improve governance practice in all sectors through the provision of education, advocacy and intellectual property, and that it is being managed prudently for the benefit of our Members.

The prototype framework for integrated reporting is principally aimed at the providers of financial capital in order to support their investment decisions. But CSA is a not-for-profit organisation dedicated to the public good of delivering accredited education and the most practical and authoritative training and information in governance. So we have not rigidly applied the six capitals of integrated reporting to our disclosures.

What we have done is to try to provide you with a holistic picture of how the organisation is fulfilling its purpose and being governed.

Integrated reporting is about ‘telling the organisation’s story’ to Members and other stakeholders, but doing so with empirical data that we can report on year-on-year. We’ve reported against the underlying principles of integrated reporting, which are to make disclosures that accommodate the complexity of financial, management commentary, governance, remuneration and sustainability reporting.

In these pages you will find information on how:
• we train and develop the profession of those with governance and risk management responsibilities
• how we advocate for better governance and regulatory frameworks, including through conducting research
• the strategy underpins the allocation of resources to ensure we fulfil our mission and
• the concept of stewardship underpins all decision-making in order to ensure the ongoing sustainability of the organisation.

Have we got it right? This is an inaugural effort. We have embarked on the journey of integrated reporting and we think we’ll get better at it each year as we learn both from the process and from feedback from our Members and stakeholders.

On these pages you will find a holistic picture of the matters that materially affect the ability of CSA to create value over time, both for Members and in the service of fulfilling our public good of improved governance understanding and practice in Australia.

Let us know what you think. This is the first step in our journey and your feedback will help us improve.

“ Integrated reporting is about ‘telling the organisation’s story’ to Members and other stakeholders, but doing so with empirical data that we can report on year-on-year. ”
Our commitment to integrated reporting
As the peak body for over 7,000 governance and risk professionals and the leading independent authority on best practice in board and organisational governance and risk management, we can rightly say that governance is our core business.

It’s what we do because it’s what you, our Members, do.

In this, our first integrated report, we want to provide you with more detail of our governance framework.

We report each year against the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (see page 24), but there is more to our governance arrangements than even that report can suggest.

We may not report to you each year in the same level of detail as set out on these pages, given that our governance framework is unlikely to substantially change. But, as part of our commitment to enhanced transparency and accountability, in our first integrated report we want to provide you with the fullest possible picture.

Transparency

• We report to Members not only in this annual report, but also in our journal, Keeping good companies, and in ecommunications. These disclosures can cover keeping Members up to date on how the organisation is fulfilling its mission, any proposals for (and voting outcomes on) constitutional change and their impact on Members, as well other membership matters that go to the sustainability of CSA as a Member-based association.

• We saw how social media can assist Members to participate in discussions on the future of the organisation when Members of the international body, the Institute of Chartered Secretaries and Administrators (ICSA), debated the resolutions to be voted on at the 2011 Member-requisitioned extraordinary general meeting and the performance of the Member body in an ongoing LinkedIn discussion group over many weeks prior to the meeting being held in London. We have tried to be candid and straightforward in reporting to you about our relationship with ICSA and how it has been tested over the past few years. To date we have distributed ten detailed ecommunications to Members to update you on progress.

• We’ve also been transparent to you about our relationship with the new international organisation, Corporate Secretaries International Association, which was founded to enable CSA to engage with similar organisations that are not part of the Commonwealth-based ICSA.

• As part of ensuring our independence on matters of strategy, funding and other business decision-making, we were scrupulously above-board when reporting to and seeking input from you on the constitutional change that allowed you to be Members both of CSA and ICSA. We held town-hall meetings on this change.

• Similarly, we have recently been advising you of the project aimed at the brand repositioning of the organisation to better represent the diversity of our current and future membership. Via direct correspondence and the journal, we’ve outlined the project and how its outcomes will result in significant benefits in the way that Members’ specific needs are met, and how they are represented. We’ll continue to keep the information flowing, culminating in a Member vote should the advice from our external brand consultants be that CSA needs a name change to ensure that your professional roles and responsibilities are more accurately addressed.

• Internally, we practise what we preach by circulating all Board papers and the full strategic plan to all staff (except those papers relating to personal staff matters). There is full transparency to all those working on behalf of Members as to board and executive decision-making.

Accountability

• CSA operates at the national level and with representation in all states. Members of our Board of Directors are elected from each state, for a term of three years.

• The Board of Directors has a clear understanding of the respective roles and responsibilities of the Board and management and has clarified this in a Board charter, which is available on our website at www.csaust.com/about-us/csa-governance/csa-board.aspx.

• Each state council also has a clear understanding of its role in assisting the Board to represent the interests of the Members in each state — the charter of these bodies can also be found on our website.

• There are eight Board committees, covering not only audit and risk, and remuneration, but also policy formulation, education oversight and Member communication. Each has a charter, which can be found on our website, and all report to the board. In the interests of transparency and accountability, membership of Board committees extends beyond membership
of the Board, to ensure as full a representation as possible of Member views in supporting the work of the Board.

- At the commencement of each Board meeting, there are declarations of interests by Directors as relevant, to ensure that any conflicts of interest are disclosed and appropriately managed.

- Delegations of authority are documented, and there is clear accountability under the strategic plan as to who holds responsibility for each strategic task and activity. This extends beyond the Chief Executive, with his direct reports (both unit heads and state managers) having KPIs against which they must achieve and report.

- The reporting process to the Board is clear, with the Chief Executive reporting at each Board meeting on progress against the strategic plan as well as on financial and operating performance. Each unit head and a number of state managers also present to the Board annually, providing an opportunity for the Board to question senior management directly.

**Stewardship**

- There is an enterprise-wide recognition that CSA is managed for the benefit of you, our Members, taking reasonable account of the interests of other legitimate stakeholders. The Directors and the Chief Executive have worked to ensure organisational sustainability, not only through sound financial management, but also by opening up a new membership category (to provide a home for those entering a career in governance and risk management), expanding into other sectors such as the NFP and public sectors, and developing new products such as the Advanced Certificate in Risk Management to cater for the expanding professional needs of our Members.

- There is an adequate and ongoing strategic planning process in place, which is developed in a rigorous manner and which looks at least three years ahead. Each year, the board meets off-site to provide for a sustained focus on strategy alone, as well as reviewing strategy at each Board meeting. The strategy process sets KPIs for senior management, is clearly documented, and it is reported against at each Board meeting.

- Importantly, the Directors make business decisions that not only provide ongoing revenue streams but also support CSA as a membership body, which is its raison d’être. The Directors consider the surplus that is produced, review the balance between CSA being an education body and a membership body, and ensure that a healthy number of Members are in place so that Members can continue to have a voice.

**Integrity**

- All Members must abide by the Members’ code of ethics (see page 52). There are few disciplinary actions against Members and there is strong Member retention — these combined reveal how you, the Members, embody integrity in your professional practice.

- It is vital that the staff of CSA reflect this high level of integrity. Each staff member has the values of the organisation embedded in their performance plan — one of those values is to behave ethically. All staff are reviewed biannually on their performance.

- We demonstrate integrity in our engagement with regulators and policymakers, bringing an independent mind to influencing public policy and other issues affecting the profession.

- We promote integrity in our learning programs, not only via the quality of the content, but also through procedural fairness and educational equity. Education policies are publicly available on our website, covering a range of matters such as enrolment; academic misconduct; subject and course completion; refunds; assessment and appeals; and assignment and examination rules and procedures.

> The Directors and the Chief Executive have worked to ensure organisational sustainability, not only through sound financial management, but also by opening up a new membership category (to provide a home for those entering a career in governance and risk management), expanding into other sectors such as the NFP and public sectors, and developing new products such as the Advanced Certificate in Risk Management to cater for the expanding professional needs of our Members.
Strategy

As with any organisation, having a cohesive long-term strategy in place is a key element of stewardship and sustainability. CSA is no different and it has had a well-developed process and methodology in place for over ten years.

In either June or July each year the Board and senior staff meet for a weekend strategy meeting to review progress on major initiatives, assess the environment, and based on evidence, develop broad plans for the organisation in the medium term. Over the following months those ideas are tested, revised and prioritised. A further Board meeting in September assesses progress and a final Board meeting in December approves the next three-year plan.

Through the planning process key priorities are set for all staff in the organisation and these are fed into each person’s performance plan. An individual’s performance against their plan also forms the basis of performance-related remuneration.

The Chief Executive’s report at each of the five Board meetings during the year reports against progress on each initiative and key target, thus completing the feedback loop to the Board.

Over the last several years the main strategic initiatives that have been pursued have revolved around our capacity to train practitioners in governance, develop the tools they need to support them in their roles and to shape the regulatory environment in which they operate.

Learning

With all of our formal courses we have sought to ensure that they are relevant, practical and up-to-date and appropriately utilise technology to enhance the learning experience.

- Over the next two to three years CSA will seek to establish itself as the leading educator in risk management in Australia to complement our dominant postgraduate position in applied governance. We will launch an Advanced Certificate in Risk Management in the second semester of 2013 to complement our Certificate in Governance and Risk Management making CSA the only organisation that provides learning in risk management for a range of professionals.
- CSA was an early adopter of distance learning, commencing with an online offering for the Graduate Diploma in 2003. We know there is more to be done in this area as technology has greatly improved over the last few years. So we are devoting substantial resources to both our open-entry and postgraduate distance learning capacity.

Substantial changes will not emerge until the end of 2013 and will continue well into 2014.

We will know that we have been successful if we can produce graduates that can enhance their professional standing and their organisation’s performance.

Advocacy

We seek to improve the regulatory framework and environment in which our members and their organisations operate. We seek to exert a positive influence by taking our educated Members and their depth of knowledge and experience and applying it to the development of governance frameworks and the regulatory framework.

We devote significant resources to our policy structures:
- member of the ASX Corporate Governance Council; Standards Australia Risk Management and Governance Committees; and ASIC’s Business Advisory Committee
- contributing heavily to the legislative policy debate (43 submissions in 2012)
- an active role in shaping NFP regulatory reform (influence on legislation; invited to attend NFP Reform Council Roundtable to develop governance standards)
- adding ideas to ongoing development of governance and risk management — radical overhaul of AGM idea to CAMAC; Governance Advisory Panel first meeting.

We will know that we have been successful if we achieve the policy outcomes that we have been advocating for.

Intellectual property

CSA has always had a philosophy that to improve governance practice, the tools to support this must be freely available — to both Members and non-members. Developing robust intellectual property (IP) consumes a considerable amount of Member and staff resources and so it must be targeted. We will continue to:

- enhance our website to be shaped to user needs
- develop IP to improve organisational performance and effectiveness
  - dissemination through journal, booklets, other publications
  - 13 booklets in total, one new edition per year
• produce tools and aids
  – Good Governance Guides — 51 in total, created nine new ones in 2012 and updated 16 (free)
  – other guidance provided for free on key governance issues, sometimes at the request and with the endorsement of ASIC
  – Useful Practitioner Documents service reviewed every couple of years — a total of 23 new documents added in the corporate governance section; overall 79 documents deleted; 34 amended and retained; and 48 retained without amendment.

We will know that we have been successful by the number of visits to our website, the number of downloads and the number or orders for our publications.

“Over the last several years the main strategic initiatives that have been pursued have revolved around our capacity to train practitioners in governance, develop the tools they need to support them in their roles and to shape the regulatory environment in which they operate.”
Training and developing the profession

The demand for governance and risk management skills is high. Education and training, by developing and refining skills and knowledge, helps organisations meet this governance and risk management challenge.

CSA uses education and training to promote good governance and risk management practice by:

- developing and enriching the governance and risk management expertise of Members
- encouraging new membership of CSA via education and training pathways.

CSA’s education and training courses are the:

- Graduate Diploma of Applied Corporate Governance
- Certificate in Governance Practice
- Certificate in Governance and Risk Management and the
- Certificate in Governance for Not-for-Profits

Training and developing the profession

The individual journey to acquiring governance and risk management skills

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- Certificate in Governance for Not-for-Profits
Training and developing the profession

Learning with CSA

**Short courses and Certificates**

- **Three specialisations:**
  - Certificate in Governance Practice
  - Certificate in Governance and Risk Management
  - Certificate in Governance for Not-for-Profits

- **Flexible study options:**
  - Individual short courses
  - Three-day intensives or two-day Quick Starts available
  - Online learning centre with online multiple-choice exams

- Recognised practical knowledge and skills that are immediately applicable in the workplace

**Graduate Diploma of Applied Corporate Governance**

- **Six-subject, higher education accredited postgraduate diploma:**
  - In-depth study of essential governance and risk management areas
  - Recognised across Australia and internationally

- **Flexible study options:**
  - Face-to-face lectures in CSA CBD premises
  - Learn by distance online to suit your commitments and schedules

- Provides the level and depth of knowledge and skill required by senior governance professionals and management

**YOUR CAREER**

- Gateway to becoming a Certificated Member of CSA
- Gateway to becoming a an Associate or Fellow Member of CSA

**Continuing professional development**

- Member benefits and discounts
- Advocacy and technical support

**Senior management, board member**
CSA Members are a vital part of the mix in the development and presentation of education and training programs. The expertise and practical experience of Members, coupled with the insight of selected academic experts who have studied governance systems and legal frameworks for many years, lends cachet to the CSA-as-educator model. This is well recognised by industry. By being involved in training and education, CSA Members can also further hone their own practical skills and conceptual frameworks. As a result, governance and risk management skills are handed down from generation to generation.

Course directors of Graduate Diploma of Applied Corporate Governance subjects who are CSA Members

Course directors are lecturers in the Graduate Diploma. They are responsible for teaching classes to a postgraduate standard.

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td></td>
<td>66%</td>
<td>68%</td>
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Guest presenters at Graduate Diploma of Applied Corporate Governance subjects who are CSA Members

Guest presenters provide specialised expertise in specific sections of the Graduate Diploma classes.

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<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td></td>
<td>31%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Members of Education Committee, Assessment Review Committee and Subject Advisory Committees who are CSA Members

CSA has several academic committees and panels including the Education Committee, the Assessment Review Committee, and Subject Advisory Committees of each subject.

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<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>51%</td>
<td>57%</td>
</tr>
</tbody>
</table>

Training presenters who are CSA Members

Training presenters deliver the short courses for CSA.

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>43.5%</td>
<td>43%</td>
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</tbody>
</table>

Members of training committees who are CSA Members

Training committees were set up in 2012 to provide consistency and quality for the training course material.

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
<td>58%</td>
</tr>
</tbody>
</table>

CSA also uses non-members in particular specialised roles in education and training. This is done where the skill set does not exist within the membership, or where particular qualifications are required, for example, academic accounting qualifications for delivery of the accounting/finance subjects in the Graduate Diploma.
Giving the profession a voice

CSA’s mission includes having effective influence on legislative and regulatory issues that are important to our Members in the private, public and NFP sectors. Measuring the success or effectiveness of any peak body is a challenging task. It is not necessarily easy to attribute specific policy or regulatory changes to CSA’s advocacy.

Making a difference

In 2011–2012 we can point to two areas where CSA made a difference.

NFP reform

The Federal Government introduced widespread reform of the NFP regulatory framework, following a decade of inquiries into the sector, all of which recommended a dedicated regulator. We had success in advocating for a separation of the legislation establishing the new regulator, the ACNC, from the legislation governing the entities it regulates.

Our position was that the NFP sector should be treated similarly to the private sector, which has one Act that establishes the framework for ASIC and a separate Corporations Act that deals with the duties, governance arrangements and operation of companies that ASIC regulates.

The government acknowledged we were the first to raise the importance of this separation and the NFP regulatory framework is stronger and more principles-based as a result of our Members’ expertise on this issue.

Ensuring shareholders are not disenfranchised

When the two strikes legislation was introduced, CSA had noted that it disenfranchised up to two-thirds of retail shareholders, many of whom appoint the chair as their proxy. But the new legislation prohibited the chair from voting on remuneration-related resolutions, which meant the chair could not vote undirected proxies. As a result, the votes of all those shareholders with confidence in the board would not be counted.

CSA continued to advocate for a change to the Corporations Act in time for the 2012 AGM season, as — while the government recognised the need for the amendment — there was an insufficient grasp of the urgency in relation to timing. The amendment was finally passed just in time to affect proxy forms in 2012 and provide shareholders with comfort that their votes would count.

Positive influence

Our Members’ expertise and skill in governance and risk management ensure we can engage in positively influencing public policy and regulatory outcomes. We are seen as independent advocates by ASIC, ASX and Treasury. We also participate in business and professional forums, the media and influential bodies that shape the evolution of governance practice. Two such bodies are:

• ASX Corporate Governance Council — We are a founding member of the Council, which provides leadership on enhancing Australian corporate governance practices, and we have been involved in developing each edition of the Corporate Governance Principles and Recommendations
• Standards Australia, Risk Management Committee — In early 2012, CSA was invited to join this committee, which developed the highly respected Australian risk management standard that in turn evolved into the international standard.

“ Our Members’ expertise and skill in governance and risk management ensure we can engage in positively influencing public policy and regulatory outcomes.”
As part of our commitment to an ongoing improvement of governance practice across all sectors, we conduct research on issues relating to governance practices, intended to provide definitive statistical information on governance and risk management practice in Australia.

*Benchmarking Governance in Practice in Australia 2012* — This survey report measures companies’ performance in the management of boards and their committees; shareholder communication; the company secretariat functions and the cost of governance. This report has been conducted over more than a decade, providing evidence of trends and comparative data.

*Anything to declare? A report examining disclosures about board reviews* — CSA conducted a survey in conjunction with Boardroom Partners in 2012. This is the first audit of disclosures of board reviews by ASX 200 companies, providing a comprehensive insight into how companies perform in relation to the obligation to disclose against Recommendation 2.5 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations.*
Stewardship

CSA Directors are charged with ensuring the sustainability of our organisation. They set the strategic directions to ensure the organisation remains financially strong, that the membership is vibrant and renewing and that the organisation remains relevant to subscribers, government and business regulators, business media and other key stakeholders well into the future.

With regard to membership, the Board of CSA has long held the view that membership can only be attained by demonstrating some degree of expertise in the body of knowledge of the profession. This sets CSA apart from many membership associations but also creates a number of challenges. While the number of new Members is important, the gender mix, professional background and retention of those Members is critical.

New Members

For Associate and Fellow Members the study required for membership spans some 18 to 24 months part-time, which can be a disincentive to many. Notwithstanding this, the Board continues to maintain this high standard of entry and so acknowledges that membership growth will be moderate in those categories. The aim therefore is to admit Members that have a strong commitment to their profession.

The Certificated Member category continues to go from strength to strength. This category of membership meets the needs of those who have a general interest in governance as well as those who are taking their first steps in a career in governance and risk management.

New CSA Members

![New CSA Members](image)

Member retention

CSA is proud of the ongoing strength of the retention rates of our membership in all categories. It is particularly gratifying when maintaining current membership is not mandatory for company secretaries or governance professionals in any market or industry sector in Australia, including ASX listed companies. For many of our Members, CSA is one of several professional memberships they maintain annually. Also, a high percentage of Members self-fund their CSA membership renewals each year.

Our Members who were elected to or advanced to Fellowship, or achieved continuous membership of 50 or 25 years can be viewed on our website at: www.csaust.com/member-milestones

Member retention rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Associate/Fellow</th>
<th>Certificated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>95.7%</td>
<td>92.7%</td>
</tr>
<tr>
<td>2012</td>
<td>96.4%</td>
<td>90.6%</td>
</tr>
</tbody>
</table>
Membership gender representation

CSA is committed to ensuring equitable diversity in company secretarial, governance and risk management roles and responsibilities in Australia. In a profession that was traditionally male-dominated, it is pleasing to see that a greater proportion of females is studying with CSA and becoming Members. This change can be seen more clearly in our gender proportions for our Certificated category of membership, which commenced in October 2009.

The current larger proportion of male Associate and Fellow Members reflects the demographic history of the profession, with over 50 per cent of Members over 60 years of age.

However, when looking at new Associate and Fellow Members in recent years, in 2011 there were 43 per cent and 44 per cent that were female in 2012.

Although moving by a percentage point toward a greater female representation between 2011 and 2012, the gender composition will still take some years to fully show the number of females now engaged in governance within their roles and responsibilities.

New categories of membership

As part of the Board’s strategy to ensure the healthy long-term sustainability of CSA as a professional membership association, in 2009 we widened our membership entry options to include the Certificated Member category.

One of the key goals of this strategy was to engage with people who either haven’t been involved in governance and risk management roles and responsibilities previously, or are at an early stage of their governance career which could be a second or third career direction for some people.

As such, we have been pleased to see the growth in the number of Certificated Members and those that have progressed on to Associate or Fellow membership.

Certificated Members who progressed to Associate or Fellow

<table>
<thead>
<tr>
<th>Year</th>
<th>Certificated Members</th>
<th>Associate/Fellow membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4</td>
<td>15.4%</td>
</tr>
<tr>
<td>2012</td>
<td>12</td>
<td>16.4%</td>
</tr>
</tbody>
</table>
Membership engagement

Active and widespread Member engagement ensures the sustainability of a professional association and, as such, the future health of the profession and the regard of the practitioners it represents. It is therefore important that engagement be measured and benchmarked against other similar associations to provide useful indicators of how the level of engagement stands up. It is pleasing that CSA consistently comes out on top of the rankings on this criterion in the Beaton Research + Consulting Annual Professions Study.

Our Members who serve on our national Board committees can be viewed on our website at: www.csaust.com/committees

NFP pro bono program

The Governance Support Program matches resource-poor NFP organisations, in need of assistance in their governance practices, with qualified CSA Members who are ready, willing and able to support these worthy causes.

Oversight of the program and approval of NFP organisations’ applications rests with a panel of experienced Members representing each state, who are provided with administrative support by CSA’s Victorian office. Once an NFP’s application is approved, CSA’s state managers are responsible for the liaison between the NFP and local Members to complete the support engagement.

Surveys are conducted regularly or at the conclusion of an engagement and both NFPs and Members have reported positive outcomes and experiences. Several case studies have been highlighted in CSA press releases and journal articles. The program is now an important part of CSA’s role in encouraging sound governance, supporting the growing NFP community and facilitating our Members in their desire to ‘give something back’ and share their expertise.
In terms of financial strength, CSA is a mid-sized professional association. It has the capacity to maintain geographic representation in five capital cities, invest heavily in information technology and new courses or IP. Diversification of earnings has largely been achieved and so adequate growth targets and levels of reserves are now closely managed.

**Financial sustainability**

To ensure the financial health and sustainability of the organisation, over past years the Directors have set strategies to diversify revenue streams away from a dependency on income derived from membership renewal fees. Ten years ago nearly half of total income came from membership and this was seen as unsustainable. So strategies were put in place to expand income from more diversified learning, seminars, workshops, conferences and products.

As such, now less than 30 per cent of CSA's total income is derived from Member and subscriber fees.

The focus is now on generating surpluses that provide sufficient reserves for future investment and operating the business at adequate levels of productivity.

**Revenue sources: 2002 versus 2012**

<table>
<thead>
<tr>
<th>2002</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.0%</td>
<td>29.6%</td>
</tr>
<tr>
<td>14.3%</td>
<td>27.2%</td>
</tr>
<tr>
<td>8.6%</td>
<td>6.1%</td>
</tr>
<tr>
<td>4.8%</td>
<td>33.9%</td>
</tr>
</tbody>
</table>

VS

<table>
<thead>
<tr>
<th>2002</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.3%</td>
<td>27.2%</td>
</tr>
<tr>
<td>8.6%</td>
<td>6.1%</td>
</tr>
<tr>
<td>4.8%</td>
<td>33.9%</td>
</tr>
</tbody>
</table>

**Short courses and Certificates**

**Member and subscriber fees**

**Graduate Diploma of Applied Corporate Governance**

**Members' activities**

**Sponsorship**

**Interest**

**Publications, journal and merchandise**

**Other income**

In terms of financial strength, CSA is a mid-sized professional association. It has the capacity to maintain geographic representation in five capital cities, invest heavily in information technology and new courses or IP. Diversification of earnings has largely been achieved and so adequate growth targets and levels of reserves are now closely managed.

**Brand repositioning project**

At the June 2012 meeting of CSA's Board, the Directors decided that the time was right to commence a project to investigate the repositioning of the organisation's brand to better reflect the current membership and range of activities we are engaged in.

Appropriate budget and resources for the project were approved by the Board, and an independent branding agency was appointed to provide the specialist research, analysis and services required to run the project in a professional and timely manner.

At the time of writing this report, the project was still under way and reporting to Members will continue. We will know if we have been successful with this project if it is embraced by current Members and leads to a more vibrant organisation in the medium to longer term.
Employees

As CSA is a professional services organisation that develops and disseminates knowledge, its human capital is critical to its sustainability. The culture of the organisation is a balance between being an NFP organisation and Member-focused while at the same time incorporating many of the features of a performance-oriented commercial business.

Staff gender balance and opportunity

CSA's employment philosophy is open and transparent. All positions are advertised publicly and internal employees are encouraged to apply. Being a small organisation, sometimes we recruit outside people, but if possible we promote internally.

There is good gender diversity among staff at senior management, levels and further into the organisation and this will hopefully continue.

Staff training

CSA's expenditure on staff training is below what it should be and needs to be increased. While all staff are encouraged to improve their knowledge and skills of governance and risk management, and attend international conferences as appropriate, more resources will need to be devoted to improving general management and leadership skills.

Six CSA staff have completed a CSA Certificate course and attained Certificated membership.

Staff retention

CSA has been fortunate to have relatively low staff turnover and this has contributed greatly to being able to progress projects, provide excellent customer service and continually improve what we do.

Setting priorities, evaluation and remuneration

Within the first few weeks of each year, all staff, including the Chief Executive, have a performance plan put in place. They include measurable targets and are inextricably linked to the strategic plan. While there are regular team meetings throughout the year to assess progress against the strategic plan, there is also a formal mid-year review and end-of-year overall look at progress. This methodology has been in place for over ten years and generally works well.

All staff receive a mix of guaranteed remuneration and performance-based remuneration that is tied to performance against agreed targets as described above. In an NFP organisation that has many projects that do not generate an easily measurable return, this system can have some subjectivity and that must be acknowledged.

Information about our national and state executive teams can be viewed on our website at: www.csaust.com/senior-management
Profiles of CSA Members

Bernard Utteridge CSA(Cert)
Company Secretary and Director, Adults Surviving Child Abuse (ASCA)

He has worked in defence, hospitality, aviation, retail and the financial services industries in operations management, change management and senior management roles.

He has held leadership positions on global re-engineering projects and operational start-ups in Australia, China, India and South America.

He is also currently a non-executive director for other not-for-profit organisations and an executive director for a proprietary retail company.

His areas of interest are corporate governance, performance psychology and organisational psychology.

Leanne Ralph ACSA
Founder and Director, Boardworx Australia Pty Ltd

Leanne established Boardworx in 2010 with the sole focus on providing bespoke, outsourced company secretarial services to meet the specific needs of a wide range of organisations in Australia.

With over ten years experience in the field of company secretarial services and corporate governance, Leanne currently fulfils the role of company secretary to a number of ASX listed and private companies across a range of industry sectors currently including property, mining, communications and medical products. She has a comprehensive knowledge of the regulatory environment, providing clients with customised in corporate governance and compliance.

Leanne holds a Bachelor of Business and completed a Graduate Diploma of Applied Corporate Governance in 2007. In addition, she has been a member of CSA’s Corporate and Legal Issues Committee since 2010.
Maureen McGrath FCSA

General Counsel, Corporate and Compliance, Westfield Group

Maureen heads the secretariat and corporate compliance team with the operators of one of the world’s largest shopping centre portfolios. She is also a company secretary for the Westfield Group’s Australian companies.

Maureen is responsible for the development of Westfield’s corporate governance policies and internal corporate compliance programs.

She has considerable experience as a corporate lawyer and her practice includes international and domestic debt and equity raisings, mergers and acquisitions.

In addition to being a member of CSA’s Legislation Review Committee, Maureen has appeared on panels at our Annual Conference. She is also a member of the Corporate Lawyers Committee, Law Society of NSW.

Maureen holds a Bachelor of Laws and Bachelor of Jurisprudence (NSW).

Stephen Partington FCSA

Company Secretary, Ten Group Holdings

Stephen Partington was appointed company secretary of The Ten Group in October 1996 and as company secretary of Ten Network Holdings in June 2001. He formerly held the position of Group General Counsel. Stephen is also currently Principal of Goldsbrough Law.

Stephen graduated with a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales and Masters of Laws from each of Sydney University and University of Technology, Sydney.

A Member of CSA since 1987, Stephen has been a solicitor in New South Wales since 1980 and is a member of the Law Society of NSW, and the Australian Corporate Lawyers.

He is a longstanding member of CSA’s Corporate and Legal Issues Committee, and is currently a course director in Corporate Accountability: Meetings and Disclosure.
Corporate governance statement

The eight core principles of the ASX Corporate Governance Council’s (ASXCGC) Corporate Governance Principles and Recommendations (2nd edition) apply to listed companies. CSA Ltd is not a listed company and does not have any obligations to report against these principles and recommendations, but is the leading education and membership organisation committed to advancing good corporate governance. The CSA Ltd Board (consolidated with National Council in 2009 to achieve improved efficiency and cost effectiveness) is, therefore, committed to report against these guidelines.

As at 31 December 2012, and to the date of the signing of this report, the position of CSA Ltd is as follows:

Principle 1: Lay solid foundations for management and oversight

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

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

Induction days designed for newly appointed Directors, senior executives and all newly appointed staff are held as required. The induction kits contain comprehensive information in respect of all constitutional documentation, service agreements, reimbursement, travel, Directors’ and officers’ insurance policies, risk management policies, strategic plans, the company’s financial position, organisational charts of business and management structure and meeting arrangements, as well as the respective rights, duties and roles of the Board and senior executives. A brand manual is also included that promotes the culture and values of the company. Directors are encouraged to interact with each other, senior executives and other stakeholders.

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

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

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

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

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

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

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

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

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

Senior executives and key management personnel and their total compensation are listed in the annual report.

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

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

Principle 2: Structure the board to add value

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

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

Up until 15 July 2011, members of the Board were appointed by National Council, who are elected by all Members of CSA on a state-by-state basis. Following the adoption of a new constitution by all Members in general meeting, Directors are elected directly by Members annually on a rotational basis, with each current Director bringing a range of complementary skills and experience to the company as indicated on page 32 of the Directors’ report in the annual report. There are two additional Directors appointed by the Board as provided in the constitution to ensure the ideal mix of skills and diversity.

Arrangements put in place by the Board to monitor the performance of the company’s key executives include a review by the Board of the company’s financial performance and revised forecast results on a quarterly, half-yearly and annual basis.
To assist the Board in discharging its responsibilities, it has established a number of Board committees, including the Board Executive; Remuneration; and Risk, Audit and Finance Committees, comprised of non-executive directors. It has also established a number of advisory committees, including Communication, Education and Policy committees, comprised of non-executive directors and non-board members. Each of these committees has mandated operating procedures that are governed by their respective charters, as is the Board, by its own Charter. These charters can be viewed at www.CSAust.com/charters.

It is the Board’s policy that Board committees and their chairs are appointed by the Board. The Board Executive, Remuneration and Risk, Audit and Finance committees are comprised solely of independent non-executive Directors, who are entitled to obtain independent professional or other advice at the cost of the company as per the policy on Directors’ access to professional advice and such resources and information from the company, including direct access to employees of and advisers to the company, as they may require.

The company’s Chair is considered by the Board to be independent in terms of the ASXCGC’s definition of independent director. The company’s Chair and CEO have separate roles. The Chair is responsible for leading the Board in the discharge of its duties while the CEO is responsible for implementing the strategic plan of the entity.

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

An annual review is presented to the Members at the annual general meeting (AGM) of National Council and National Council reviews the performance of its service agreement.

An independent Nomination Committee has been established by National Council. Since the consolidation of the National Council and Board in 2009, the Nomination Committee has for the most part focused on succession planning in relation to the honorary officers.

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

** Principle 3: Promote ethical and responsible decision-making**

It is the policy of CSA Ltd to conduct business according to the highest standards of honesty, integrity, respect and fairness when dealing with all its customers and employees. Employees are also required to meet these high standards. The CSA Members’ Code of Ethics, which is set out on page 52, applies to staff as well as Members.

The company takes seriously its obligations to comply with all federal, state and local government laws and regulations, as well as common law obligations, and again requires all employees to do the same as specified in the company’s Code of Business Conduct and Ethics.

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

CSA Ltd’s objective is the promotion and advancement of effective governance and administration of organisations in the private, public and NFP sectors through the continued development and application of good corporate governance and administrative practice. To ensure this occurs, the company conducts its business within the Code of Business Conduct and Ethics, that documents and outlines the company’s core values, which are to:

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

The company provides in the annual report the proportion of women employees in the organisation as a whole, women in senior executive positions and women on the Board, as indicated on page 34 of the Directors’ report. CSA Ltd also provides details on the diversity of our workforce by gender and age on pages 20–21 of the Annual Report. As can be seen, CSA Ltd has a diverse workforce.

As a small organisation of 39 employees, CSA Ltd has decided not to develop a formal diversity policy but to implement active strategies to ensure that we appoint women to senior executive positions, implement flexible work practices for both genders, and retain our female talent if they take parental leave.
CSA Ltd also proactively supports the requirement for listed entities to report against the Recommendations in the ASXCGC’s principles and recommendations by developing intellectual property to assist companies to improve gender balance within their organisations. We published a Good Governance Guide setting out the issues to consider when developing a diversity policy, including practical initiatives that can be implemented to assist in setting measurable targets for improving gender balance at the senior executive level.

Principle 4: Safeguard integrity in financial reporting

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

The Board established an Audit Committee in 1999. During 2009 its charter was expanded to include the review and evaluation of the company’s risk management processes and framework, as well as financial functions. The membership of the committee consists of independent non-executive Directors. Details of their attendance at committee meetings are set out in the Directors’ report.

The principal functions of the Risk, Audit and Finance Committee are governed by its charter which is on the CSA website at www.CSAust.com/charters. Its objectives are to assist the Board in the discharge of its responsibilities in respect of the preparation of the company’s financial statements, through the review and consideration of those statements and the company’s internal financial controls; recommendations to the Board of nominees for appointment as external auditors to meet the terms of the auditor rotation policy; the review of the scope of the audit, the level of audit fees and the performance of the external auditors; the provision of a line of communication between the Board and the external auditors; and the examination of the external auditors’ evaluation of internal controls and management’s response, and the risk management framework as well as other financial functions.

Principle 5: Make timely and balanced disclosure

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

Principle 6: Respect the rights of shareholders

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

- regular Member communications such as the monthly journal, Keeping good companies, incorporating the President’s Commentary, CEO reports on advocacy in the column ‘Acting for You’, international developments in the ICSA International article, CSA Members’ Benefits column and a professional development calendar.

“CSA Ltd also proactively supports the requirement for listed entities to report against the Recommendations in the ASXCGC’s principles and recommendations by developing intellectual property to assist companies to improve gender balance within their organisations.”
• the annual and full financial report, circulated to Members prior to the company’s AGM according to their choice, with notice given to all Members of its availability on the CSA website

• providing information about the last five years’ annual reports and financial data on the website

• placing the full text of notices of meeting and explanatory material on the website

• Member access to information and updates through the monthly enewsletter, CSA news update, other ecommunications and the CSA website.

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

The Board also presents an annual Year in Review Report to the Members at the AGM of National Council, held at the National Conference, which is also published in full in the journal.

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

Principle 7: Recognise and manage risk

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

The company has implemented a risk management policy framework, including a risk register, designed to ensure that the company’s material business risks are identified, analysed, evaluated and treated and that controls are adequate, in place and functioning effectively. This framework incorporates the maintenance of comprehensive policies, procedures and guidelines. It covers areas such as business continuity management, CEO’s office, education and training, finance and administration, marketing, membership, policy, publishing, reputation and strategic risks, states’ service delivery, strategic market product and development risks, social media and special projects such as the new website. The risk management policy can be viewed at www.CSAust.com/risk-management.

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

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

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

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

CSA Ltd’s CEO and DFA have provided the Directors with the statement required under s 295A of the Corporations Act and have provided written assurance to the Directors and the external auditors that the statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and that the company’s risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Principle 8: Remunerate fairly and responsibly

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

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

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

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

No Directors of CSA Ltd, during or since the end of the financial year, received or have become entitled to receive a benefit by reason of a contract made by CSA Ltd or of a related body corporate with one of the Directors or with a firm of which they are a member or with a company in which they have a substantial financial interest, other than as disclosed in related-party transactions at Notes 6 and 16 of the Financial Statements.

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

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

Premiums were paid for each of the Directors specified in the Directors’ report on page 33 of the annual report. The insurance contract entered into by CSA Ltd prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

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

“ The company has implemented a risk management policy framework, including a risk register, designed to ensure that the company’s material business risks are identified, analysed, evaluated and treated and that controls are adequate, in place and functioning effectively. ”
Directors’ report

Your Directors present this report on the company for the financial year ended 31 December 2012.

Principal activities, objectives and strategies

The principal activities of CSA Ltd during the year were to promote and advance the effective governance and administration of organisations in the private, public and NFP sectors through the continued development and application of high-level governance skills, knowledge and research and administrative best practice.

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 Australian Accounting Standards which include the Australian equivalent to International Financial Reporting Standards (AIFRS).

In order to meet its abovementioned long-term objectives, the company will strive to:
- be recognised as the leading independent voice of best practice in governance and risk management
- proactively support governance professionals as the leading provider of quality intellectual property, higher education, training and support
- engage with and bring value to the full range of governance professionals.

The company’s short-term objective will be to focus on existing target markets for the next 12 to 18 months and then expand and sustain Member retention at 97 per cent or better.

In order to meet its short-term objectives, the company will continue to:
- emphasise Member retention and satisfaction as a first priority
- broaden the pathways to membership at the open-entry and postgraduate level
- place greater emphasis on increasing the number of Certificated Members and better gender diversity
- encourage a targeted approach to engage with the Commonwealth and state public sectors
- enhance Member involvement in the NFP sector.

Financial results

An operating surplus from ordinary activities of $150,607 was made for the year after providing for income tax.

The surplus attributable to Members amounting to $149,556 was made after allowing for a net loss on disposal of assets amounting to $1,051.

Accumulated Members’ funds at year-end totalled $4,869,561.

Dividends

Being limited by guarantee, CSA Ltd does not pay dividends.
Review and result of operations

Company performance is assessed by the Board of Directors at their five Board meetings held during the year. Forecast reviews are presented and discussed as to the progress between budget and actual results achieved. The Risk, Audit and Finance Committee also reviews the budget and the results of operations prior to recommendations made to the Board of Directors for their consideration.

Revenue for the year primarily came from Member and subscriber fees $2,514,127; Graduate Diploma fees $2,313,447; short courses, Certificates and publications $2,929,017; sponsorship $518,936; investment income $134,517; and other income for services $93,464.

Expenditure for the year was primarily on direct costs for short courses, Certificates and publications $1,125,565; direct costs for education courses $655,847; profile-raising activities and website maintenance $400,780; international activities $250,415 (including $46,144 expended on the ICSA Structural Reform matters); and governance and administration $5,920,294.

Likely developments

Likely developments in the operations of CSA Ltd and the expected results of those operations in future financial years have not been included in this report but are disclosed in the Chair and CEO’s and integrated reports.

Environmental regulations

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

Events subsequent to balance date

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

Continuing members of the Board of CSA Ltd are Warren Baillie FCSA, Frank Bush FCSA(Life), Alan Evans FCSA, Douglas Grant FCSA, Bill te Kloot FCSA, Simon Pordage FCSA, Andrew Horne FCSA, Trisha Mok FCSA, Wendy Wills FCSA and Warren Baillie FCSA.

Auditor’s indemnification

CSA Ltd has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of CSA Ltd or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

Left to right: John Williamson FCSA, Frank Bush FCSA(Life), Rachel Rees FCSA, Andrew Horne FCSA, Peter Turnbull FCSA, Wendy Wills FCSA, Warren Baillie FCSA, Douglas Grant FCSA, Bill te Kloot FCSA, Simon Pordage FCSA, Alan Evans FCSA and Trisha Mok FCSA were not available to be photographed.
Directors

Warren Baillie LLB, BCom, Grad Dip CSP, FCISA, FCIS (appointed 12.1.11) — Experienced in company secretarial practice and corporate governance, and corporate and commercial law. Currently Company Secretary of Woodside Energy Ltd.


Alan Evans BBus (Law), FCISA, FCIS, MAICD (appointed 4.6.09) — General Manager Corporate Governance and Corporation Secretary for Hydro Tasmania for the last eight years. A corporate governance and secretarial practice and law professional, he has over 30 years of practical international experience at executive level and as an executive and non-executive director on boards of Australian, USA and European companies. Alan has lectured in corporate governance, secretarial practice and law. Member and past Chair of the Tasmanian Council.


Andrew Horne BLegS, Grad Dip CSP, FCISA, FCIS, MAICD (appointed 21.1.10) — Experienced in company secretarial practice, corporate law, risk management, real property and compliance. Company Secretary of GrainCorp Limited from March 2012. Previously General Counsel and Group Company Secretary of ASX listed Thakral Holdings Limited. Member of the Subject Advisory Committee for the Corporate Accountability: Meetings and Disclosure module of the CSA Graduate Diploma since February 2008 and past course director. Member of the NSW Council since February 2007 and immediate past Chair.

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

Simon Pordage LLB (Hons), FCISA, FCIS, MAICD (appointed 16.2.12) — Experienced in company secretarial practice and corporate governance, corporate law and compliance matters. Company Secretary Australian Foundation Investment Company Limited, Djerriwarrh Investments Limited, Mirrabooka Investments Limited and AMCIL Limited since 2009. Formerly Deputy Company Secretary, Australia & New Zealand Banking Group Limited and Head of Board Support, Barclays PLC in the UK. Chair of CSAs Legislation Review Committee since January 2011.

Rachel Rees BBus, Grad Dip CSP, FCISA, FCIS, MAICD, FTIA, FCA (appointed 8.2.13) — Senior executive and Chartered Accountant with extensive commercial, strategic and risk management, corporate governance, company secretarial and financial experience across a vast range of organisations from smaller organisations (Australian and international) and multinationals to listed corporations (ASX and TSX). Currently Chief Financial Officer/Company Secretary Epic Energy and previous roles include Group Company Secretary of Hills Holdings Ltd and Vice President — Corporate Affairs Uranium One Australia. Current Regional Chair, SANT State Council.

Bill te Kloot MA, BCom, FCISA, FCIS, FAICD, Cdec (appointed 4.6.09) — A governance professional experienced in company secretarial practice, corporate governance, and risk management, company secretary of a number of private companies, and a director of several private companies. Formerly Company Secretary of Vita Group Limited. Australian Division President and Chair of the Board of CSA Ltd 2012.

Peter Turnbull BCom, LLB, FCISA, FCIS, FAICD (appointed 1.1.09) — A governance professional experienced in company secretarial practice, corporate governance, corporate law, and senior executive management. Formerly Company Secretary/General Counsel of large listed public and private companies including BTR Nylex, Newcrest Mining and Energex. Currently the Chair or a Director of a number of unlisted public and private companies. Australian Division President in 2010.

John Williamson BA, LLB, FCISA, FCIS, FAuSIMM, MAICD (appointed 15.2.12) — Broad experience in several industry sectors spanning some 35 years and covering senior management, commercial, advisory and, initially, legal roles. John has also had substantial governance and company secretary experience from both a corporate and consulting perspective. He is currently a Director of and consultant with WEPL Management Consultants.

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

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

During or since the end of the financial year, CSA Ltd has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of CSA Ltd other than conduct involving a wilful breach of duty in relation to CSA Ltd. Premiums were paid for each of the directors listed on page 32. The insurance contract entered into by CSA Ltd prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

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

Payments to the Directors and to entities from which the Directors may benefit for services by the Directors or entities are disclosed in Notes 6 and 16 to the Financial Statements on page 42.

No other Directors of CSA Ltd, during or since the end of the financial year, received or have become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial report or the fixed salary of a full-time employee of CSA Ltd or of a related body corporate) by reason of a contract made by CSA Ltd or of a related body corporate with one of the Directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

Proceedings on behalf of the company

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

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

Attendance at Directors’ meetings

During 2012 attendance by individual Directors (including when represented by alternates) at meetings they were entitled to attend, was as set out in the table below.

Liability of Members on winding up

The liability of Members (or within one year after ceasing to be a Member) on winding up is limited to an amount not exceeding $100.

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Risk, Audit &amp; Finance Committee</th>
<th>Remuneration Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warren Baillie</td>
<td>6 of 6</td>
<td>2 of 4</td>
</tr>
<tr>
<td>Frank Bush</td>
<td>4 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Alan Evans</td>
<td>4 of 6</td>
<td>2 of 4</td>
</tr>
<tr>
<td>Douglas Gration</td>
<td>5 of 6</td>
<td>–</td>
</tr>
<tr>
<td>Andrew Horne</td>
<td>5 of 6</td>
<td>4 of 4</td>
</tr>
<tr>
<td>Trisha Mok</td>
<td>2 of 3</td>
<td>–</td>
</tr>
<tr>
<td>Simon Pordage</td>
<td>5 of 5</td>
<td>–</td>
</tr>
<tr>
<td>Bill te Kloot</td>
<td>6 of 6</td>
<td>4 of 4</td>
</tr>
<tr>
<td>Peter Turnbull</td>
<td>6 of 6</td>
<td>3 of 4</td>
</tr>
<tr>
<td>John Williamson</td>
<td>4 of 5</td>
<td>–</td>
</tr>
<tr>
<td>Wendy Wills</td>
<td>6 of 6</td>
<td>4 of 4</td>
</tr>
</tbody>
</table>
Diversity of employees

In terms of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations reporting requirements, the proportion of women employees in the whole organisation, women in senior executive positions and women on the board are as follows:

<table>
<thead>
<tr>
<th>In whole of organisation</th>
<th>In senior executive positions</th>
<th>On the board</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>50%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Company details

The registered office and principal place of business of the company is:
Level 10, 5 Hunter Street
Sydney NSW 2000 Australia.
ABN 49 008 615 950

Company Secretary

Stan Jodeikin BCom, Dip Bus Mgt (Hons), Grad Dip Accounting, FCSA, FCIS, FCFA, FIPA, AFAIM — Chartered Secretary, experienced in company secretarial practice, corporate governance, financial management, computer systems, risk management implementation, office and business management in manufacturing, wholesale and retail industries. Appointed Company Secretary of CSA Ltd on 7 October 2000.

Also Australian Secretary of the Australian Division of the Institute of Chartered Secretaries & Administrators.

Auditor’s independence declaration

The Auditor’s independence declaration is set out on page 49 and forms part of the Directors’ report for the financial year ended 31 December 2012.

Directors’ signatures

Wendy Wills FCSA
Chair

Warren Baillie FCSA
Director

Frank Bush FCSA (Life)
Director

Alan Evans FCSA
Director

Douglas Gration FCSA
Director

Andrew Horne FCSA
Director

Trisha Mok FCSA
Director

Simon Pordage FCSA
Director

Rachel Rees FCSA
Director

Bill te Kloot FCSA
Director

Peter Turnbull FCSA
Director

John Williamson FCSA
Director

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

SYDNEY, 16 March 2013
Financial report

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2</td>
<td>8,503,508</td>
<td>8,209,007</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>3</td>
<td>(369,095)</td>
<td>(287,060)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3</td>
<td>(7,937,662)</td>
<td>(7,452,755)</td>
</tr>
<tr>
<td>ICSA structural reform</td>
<td>3</td>
<td>(46,144)</td>
<td>(341,346)</td>
</tr>
<tr>
<td>Chant Legacy Trust legal fees</td>
<td>3</td>
<td>–</td>
<td>(110,533)</td>
</tr>
<tr>
<td>Surplus before income tax expense</td>
<td></td>
<td>150,607</td>
<td>17,313</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>1(e)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Surplus after income tax</td>
<td></td>
<td>150,607</td>
<td>17,313</td>
</tr>
<tr>
<td>Net loss on disposal of asset</td>
<td>3</td>
<td>(1,051)</td>
<td>(493)</td>
</tr>
<tr>
<td>Surplus attributable to Members</td>
<td></td>
<td>149,556</td>
<td>16,820</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total comprehensive income for the year attributable to Members</td>
<td></td>
<td>149,556</td>
<td>16,820</td>
</tr>
</tbody>
</table>

STATEMENT OF FINANCIAL POSITION as at 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>3,321,319</td>
<td>2,610,803</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>8</td>
<td>203,004</td>
<td>173,744</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>306,272</td>
<td>253,467</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>3,830,595</td>
<td>3,038,014</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>10</td>
<td>3,506,421</td>
<td>3,740,385</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>11</td>
<td>648,823</td>
<td>430,431</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td></td>
<td>4,155,244</td>
<td>4,170,816</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>7,985,839</td>
<td>7,208,830</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>12</td>
<td>720,502</td>
<td>684,911</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>13</td>
<td>1,882,550</td>
<td>1,341,152</td>
</tr>
<tr>
<td>Provisions</td>
<td>14(a)</td>
<td>455,970</td>
<td>422,301</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>3,059,022</td>
<td>2,448,364</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>14(b)</td>
<td>57,256</td>
<td>40,461</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td></td>
<td>57,256</td>
<td>40,461</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>3,116,278</td>
<td>2,488,825</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td>4,869,561</td>
<td>4,720,005</td>
</tr>
<tr>
<td>Members’ funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>4</td>
<td>763,033</td>
<td>763,033</td>
</tr>
<tr>
<td>Retained surplus</td>
<td>5</td>
<td>4,106,528</td>
<td>3,956,972</td>
</tr>
<tr>
<td>Total Members’ funds</td>
<td></td>
<td>4,869,561</td>
<td>4,720,005</td>
</tr>
</tbody>
</table>
### STATEMENT OF CHANGES IN MEMBERS’ FUNDS for the year ended 31 December 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPENING BALANCE</td>
<td>$4,720,005</td>
<td>$4,703,185</td>
</tr>
<tr>
<td>Transfer net (loss) on disposal of asset</td>
<td>$3 (1,051)</td>
<td>$(493)</td>
</tr>
<tr>
<td>Surplus recognised directly in Members’ funds</td>
<td>$(1,051)</td>
<td>$(493)</td>
</tr>
<tr>
<td>Surplus from ordinary activities</td>
<td>$150,607</td>
<td>$17,313</td>
</tr>
<tr>
<td>Total recognised income and expenses for the year attributable to the Members</td>
<td>$149,556</td>
<td>$16,820</td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>$4,869,561</td>
<td>$4,720,005</td>
</tr>
</tbody>
</table>

### STATEMENT OF CASH FLOWS for the year ended 31 December 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions received</td>
<td>$3,295,669</td>
<td>$2,299,055</td>
</tr>
<tr>
<td>Receipts from courses and other activities</td>
<td>$6,177,075</td>
<td>$6,028,367</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>$(8,337,545)</td>
<td>$(8,170,234)</td>
</tr>
<tr>
<td>Interest received</td>
<td>$134,517</td>
<td>$159,193</td>
</tr>
<tr>
<td>GST paid</td>
<td>$(205,675)</td>
<td>$(178,051)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,064,041</td>
<td>$138,330</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>$(39,747)</td>
<td>$(81,565)</td>
</tr>
<tr>
<td>Payments for website development</td>
<td>$(313,778)</td>
<td>$(430,431)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$(353,525)</td>
<td>$(511,996)</td>
</tr>
<tr>
<td>Net increase / (decrease) in cash held</td>
<td>$710,516</td>
<td>$(373,666)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>$2,610,803</td>
<td>$2,984,469</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$3,321,319</td>
<td>$2,610,803</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

1. Statement of significant accounting policies

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

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

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

Statement of compliance

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

The financial statements were authorised for issue by the Board of Directors on 16 March 2013.

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

(a) Company structure

CSA Ltd is an incorporated company limited by guarantee. In the event of CSA Ltd being wound up, the liability of each Member, or each former Member who ceased to be a Member within a year of CSA Ltd being wound up, is limited to an amount not exceeding $100. As CSA Ltd is limited by guarantee, there is no reference in the statement of financial position to shareholders’ equity.

(b) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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 surplus or deficit.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.

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 systems, furniture and office equipment</td>
<td>10% – 33.33%</td>
</tr>
</tbody>
</table>

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

(c) Intangible assets

(i) Website development costs

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. 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.

(ii) Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation
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 for the current years are as follows:
• Capitalised website development costs 5 years

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

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

(e) Income tax
CSA Ltd is for income tax purposes endorsed as a charitable institution. Its income is therefore exempt from income tax under Subdiv 50–B of the Income Tax Assessment Act 1997.

(f) 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.

(g) Payroll tax
During 2009, the Company became exempt from the payment of payroll tax in NSW under the provisions of Schedule 2 Division 4 Clause 12(1)(c) of the Payroll Tax Act 2007 (NSW).

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

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

(j) Revenue recognition
Revenue represents income earned from membership subscriptions and the provision of related services. Membership subscription revenue is recognised as and when received in relation to the current 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. All revenue is stated net of the amount of GST.

(k) Financial instruments

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

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

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the statement of comprehensive income.
Classification and subsequent measurement
Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except those which are not expected to mature within 12 months after reporting date, which will be classified as non-current assets. Loans and receivables comprise cash and cash equivalents and trade and other receivables.

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

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

(iii) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities comprise trade and other payables.

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

(l) Impairment of assets
At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

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

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

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

The terms of the original will were found to be impracticable and following approval of a cy pres scheme in the Supreme Court of New South Wales, on 28 October 2011 before Bryson AJ, the purposes of the Trust were confirmed to be that:

• the Trustee (Chartered Secretaries Australia Ltd) holds, uses and applies the trust property to pay scholarships for entry:

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 scholarships would be tenable at the Trustee, government accredited overseas institutions or any other government accredited Australian tertiary education institutions offering such courses, that the Trustee considers to be appropriate.

The financial statements of trust funds are not consolidated with those of CSA Ltd because the company does not have direct control over them, but are shown in Note 19.

(o) Comparative figures
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current year.
(p) Critical accounting estimates and judgments
The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

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

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

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

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

(s) New accounting standards for application in future periods
A number of Australian Accounting Standards have been issued or amended which are not yet effective and have not been adopted in preparation of the financial statements at the reporting date. They are not expected to affect the company in future years.

(t) Subsidiary companies
During the prior year CSA Ltd registered three subsidiary companies with ASIC to reserve appropriate names for future activities. The companies are dormant and have not commenced trading.

In accordance with AASB 127 (Aus1.3), the directors have determined that the three subsidiary companies are immaterial, both individually and in aggregate, to the financial position, performance and cash flows of the Group and consolidated financial statements have not been prepared.

The Directors of the subsidiary companies are named in the Directors’ report on page 26.

<table>
<thead>
<tr>
<th>2. Revenue</th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member and subscriber fees</td>
<td>2,514,127</td>
<td>2,449,618</td>
</tr>
<tr>
<td>Graduate Diploma</td>
<td>2,313,447</td>
<td>2,233,453</td>
</tr>
<tr>
<td>Short courses and Certificate courses</td>
<td>2,882,259</td>
<td>2,573,925</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>518,936</td>
<td>519,022</td>
</tr>
<tr>
<td>Interest</td>
<td>134,517</td>
<td>159,193</td>
</tr>
<tr>
<td>Other income</td>
<td>93,464</td>
<td>82,384</td>
</tr>
<tr>
<td>Publications, journal and merchandise</td>
<td>46,758</td>
<td>191,412</td>
</tr>
<tr>
<td>Total revenue</td>
<td>8,503,508</td>
<td>8,209,007</td>
</tr>
</tbody>
</table>
### 3. Surplus from ordinary activities

Surplus from ordinary activities is stated before income tax expense has been determined, after charging:

#### Expenses

**Depreciation and amortisation of non-current assets**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>16,864</td>
<td>16,864</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>157,855</td>
<td>169,900</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>98,991</td>
<td>100,296</td>
</tr>
<tr>
<td>Website</td>
<td>95,385</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total depreciation and amortisation of non-current assets</strong></td>
<td><strong>369,095</strong></td>
<td><strong>287,060</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>3,769,715</td>
<td>3,456,294</td>
</tr>
<tr>
<td>Superannuation</td>
<td>306,082</td>
<td>269,079</td>
</tr>
<tr>
<td>ICSA, UK — capitation fee</td>
<td>82,655</td>
<td>82,698</td>
</tr>
<tr>
<td>Rental expenses</td>
<td>339,085</td>
<td>320,454</td>
</tr>
<tr>
<td>Occupancy and state facilities</td>
<td>176,621</td>
<td>158,092</td>
</tr>
<tr>
<td>Auditor’s remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>23,360</td>
<td>22,660</td>
</tr>
<tr>
<td>Other services</td>
<td>1,320</td>
<td>18,088</td>
</tr>
<tr>
<td>Rebranding expenses</td>
<td>55,504</td>
<td>–</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>3,183,320</td>
<td>3,125,390</td>
</tr>
<tr>
<td><strong>Total other expenses</strong></td>
<td><strong>7,937,662</strong></td>
<td><strong>7,452,755</strong></td>
</tr>
</tbody>
</table>

**ICSA structural reform** costs incurred during the year consist of legal, meetings, constitutional and proxy solicitation fees spent on the ICSA / CSA governance matters

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICSA structural reform</td>
<td>46,144</td>
<td>341,346</td>
</tr>
</tbody>
</table>

**Chant Legacy Trust legal fees** — CSA’s portion in terms of *cy pres* scheme in note 1(n)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chant Legacy Trust legal fees</td>
<td>–</td>
<td>110,533</td>
</tr>
</tbody>
</table>

**Expenses from non-operating activities**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss on disposal of asset</td>
<td>(1,051)</td>
<td>(493)</td>
</tr>
</tbody>
</table>

### 4. Reserves

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital surplus reserve</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><strong>Total</strong></td>
<td><strong>763,033</strong></td>
<td><strong>763,033</strong></td>
</tr>
</tbody>
</table>

### 5. Retained surplus

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained surplus at beginning of the year</td>
<td>3,956,972</td>
<td>3,940,152</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>149,556</td>
<td>16,820</td>
</tr>
<tr>
<td>Retained surplus at the end of the year</td>
<td>4,106,528</td>
<td>3,956,972</td>
</tr>
</tbody>
</table>
6. Key management personnel compensation

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

For presentations at Graduate Diploma courses, short courses and Certificates, exam moderation and author fees

<table>
<thead>
<tr>
<th>Name</th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warren Baillie</td>
<td>250</td>
<td>–</td>
</tr>
<tr>
<td>Douglas Gration</td>
<td>300</td>
<td>–</td>
</tr>
<tr>
<td>Andrew Horne</td>
<td>1,417</td>
<td>1,717</td>
</tr>
<tr>
<td>Simon Pordage</td>
<td>900</td>
<td>–</td>
</tr>
<tr>
<td>Bill te Kloot</td>
<td>600</td>
<td>700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,467</td>
<td>2,417</td>
</tr>
</tbody>
</table>

Other key management personnel

Susan Bradbrook (Manager South Australia & Northern Territory)
Emma Churchill (Manager, Queensland)
Peter Dongas (Regional Director, New South Wales & Australian Capital Territory)
Judith Fox (Director, Policy)
Leigh Grant (Manager, Western Australia)
Stan Jodeikin (Director, Finance and Administration)
Tim Sheehy (Chief Executive Officer)
Sh'vorn Sumner (Regional Director, Victoria & Tasmania)
Marc Wanstall (Director, Marketing & Membership Services).
Stephen Wright (Director, Education and Training).

<table>
<thead>
<tr>
<th></th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel compensation comprised:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary and bonuses</td>
<td>1,552,511</td>
<td>1,416,927</td>
</tr>
<tr>
<td>Superannuation contribution</td>
<td>225,124</td>
<td>171,033</td>
</tr>
<tr>
<td>Long service leave provision</td>
<td>312,618</td>
<td>222,647</td>
</tr>
<tr>
<td><strong>Total compensation</strong></td>
<td>2,090,253</td>
<td>1,810,607</td>
</tr>
</tbody>
</table>

7. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>625,794</td>
<td>485,950</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>2,694,725</td>
<td>2,124,053</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td>3,321,319</td>
<td>2,610,803</td>
</tr>
</tbody>
</table>

8. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade debtors</td>
<td>203,004</td>
<td>173,744</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td>203,004</td>
<td>173,744</td>
</tr>
</tbody>
</table>

There is no impairment or significant credit risk with any debtor balance.
10. Property, plant and equipment

Non-current

Building
- Strata entitlement — at cost — Hunter Street, Sydney: 3,100,000
- Leasehold improvements: 703,881
- Less: accumulated depreciation and amortisation: (560,815)

Total: 3,243,066

Computer system, furniture and office equipment at cost
- 1,600,200
- Less: accumulated depreciation: (1,361,672)

Total: 238,528

Works of art at valuation
- 24,827

Total property, plant and equipment
- 3,506,421

Valuation of strata entitlement

The strata entitlement is measured at cost less accumulated depreciation and accumulated impairment losses. The Board policy, recognising statutory requirements for assessment of Statement of Financial Position impairment indicators, is that a valuation at current market value be obtained from a registered valuer at three-yearly intervals, and that for each intervening year directors determine a value as at 31 December based on the most recent valuation, market research and other relevant information.

Strata entitlement at Level 10, 5 Hunter Street, Sydney: purchased on 12 October 2004 for initial cost of $3,100,000. The most recent valuation report dated 17 February 2012 was based on an inspection of the property on 14 February 2012, prepared by George Paton FAPI, FRICS, FREI, AIAMA, Certified Practising Valuer, Registered Valuer No 1212 and Director of Chesterton International (NSW) Pty Limited and valued the strata entitlement at $3,750,000 (2009 was $3,600,000). On this basis the directors believe that there are no indicators of impairment of the asset carrying value as at 31 December 2012.

The strata entitlement is encumbered by a registered first mortgage as detailed per Note 20(d).

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

<table>
<thead>
<tr>
<th></th>
<th>Property and leasehold improvements</th>
<th>Computer systems, furniture and office equipment</th>
<th>Works of art</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>3,358,091</td>
<td>357,466</td>
<td>24,827</td>
<td>3,740,384</td>
</tr>
<tr>
<td>Additions (net of disposals)</td>
<td>831</td>
<td>38,917</td>
<td>–</td>
<td>39,748</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(115,856)</td>
<td>(157,855)</td>
<td>–</td>
<td>(273,711)</td>
</tr>
<tr>
<td>Carrying amount at end of the year</td>
<td>3,243,066</td>
<td>238,528</td>
<td>24,827</td>
<td>3,506,421</td>
</tr>
</tbody>
</table>
11. Intangible assets

Website development costs

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>430,431</td>
<td>–</td>
</tr>
<tr>
<td>Acquisitions — developed during the year</td>
<td>313,777</td>
<td>430,431</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>744,208</td>
<td>430,431</td>
</tr>
</tbody>
</table>

Amortisation and impairment losses

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>(95,385)</td>
<td>–</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>(95,385)</td>
<td>–</td>
</tr>
</tbody>
</table>

Carrying amounts at end of year 648,823 430,431

Website development costs

During the current year the Company continued development of a new integrated website. The website was launched on 6 March 2012, at which time the intangible asset was considered ready for use. Amortisation commenced from that time.

12. Trade and other payables

Current

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors and accruals</td>
<td>510,073</td>
<td>481,312</td>
</tr>
<tr>
<td>Net GST liability</td>
<td>(54)</td>
<td>35,186</td>
</tr>
<tr>
<td>Accrued ICSA capitation fee</td>
<td>59,404</td>
<td>61,040</td>
</tr>
<tr>
<td>Payroll and PAYG tax payable</td>
<td>143,082</td>
<td>107,329</td>
</tr>
<tr>
<td>Fringe benefits tax payable</td>
<td>7,997</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>720,502</td>
<td>684,911</td>
</tr>
</tbody>
</table>

13. Deferred revenue

Subscriptions and fees in advance 1,882,550 1,341,152


(a) Current

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for annual leave</td>
<td>164,495</td>
<td>175,335</td>
</tr>
<tr>
<td>Provision for long service leave</td>
<td>291,475</td>
<td>246,966</td>
</tr>
<tr>
<td></td>
<td>455,970</td>
<td>422,301</td>
</tr>
</tbody>
</table>

(b) Non-current

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for long service leave</td>
<td>57,256</td>
<td>40,461</td>
</tr>
<tr>
<td></td>
<td>57,256</td>
<td>40,461</td>
</tr>
</tbody>
</table>

Average number of full-time equivalent employees 39.0 35.4

15. Leasing commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable: Not later than one year</td>
<td>404,422</td>
<td>386,174</td>
</tr>
<tr>
<td>Later than one but not later than five years</td>
<td>952,682</td>
<td>1,357,092</td>
</tr>
<tr>
<td>Later than five years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>1,357,104</td>
<td>1,743,266</td>
</tr>
</tbody>
</table>
16. 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) ICSA, United Kingdom: under the terms of an operating agreement with ICSA, CSA Ltd remits an administration fee based on the number of Australian Members and students registered with ICSA as at 31 July each year to meet the expenses of the International Institute.

In order to restrict exposure to foreign currency fluctuations while meeting its obligation to ICSA, CSA Ltd has opened an Australian bank account denominated in pounds sterling which is used to remit the administration fees to ICSA. As at balance date, an unrealised foreign exchange translation surplus of $1,232 (2011 surplus of $1,032) had been included in the administration fee. These payments amounted to:

<table>
<thead>
<tr>
<th></th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>82,655</td>
<td>82,698</td>
</tr>
</tbody>
</table>

(ii) Australian Company Secretaries Pty Ltd, a company controlled by Nick Geddes (Director 1.1.09—31.12.11), has contracted with ICSA Software International Limited, a company owned by ICSA, to provide certain administrative functions in Australia, receiving an amount of:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2,388</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>–</td>
<td>2,388</td>
</tr>
</tbody>
</table>

(iii) Workplace Education Pty Ltd, a company in which John Williamson is a director, consultant, and a shareholder, has received an amount of:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>–</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,415</td>
<td>–</td>
</tr>
</tbody>
</table>

(iv) Three directors, as disclosed in Directors’ report on page 32, are also directors of CSA Ltd dormant subsidiary companies.

17. Segment reporting

CSA Ltd operates as a professional association providing education and promotion of the advancement of effective governance and administration of organisations in the private and public sectors, for Members and applicants for membership and for the public. These operations are in Australia and the revenue from operations is as disclosed per Note 2. The company is one reportable segment.

18. Cash flow information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>626,594</td>
<td>486,750</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>2,694,725</td>
<td>2,124,053</td>
</tr>
<tr>
<td></td>
<td>3,321,319</td>
<td>2,610,803</td>
</tr>
</tbody>
</table>

(b) Reconciliation of cash flow from operations with surplus from ordinary activities after income tax

Net surplus from ordinary activities after income tax 149,556 16,820

Non-cash flows in surplus from ordinary activities

Depreciation and amortisation 369,095 287,060

Change in assets and liabilities

(Increase) in trade and other receivables (29,260) (52,173)

(Decrease) in other current assets (52,805) 277

Increase in trade and other payables 35,591 57,521

Increase in deferred revenue 541,400 (212,611)

Increase in provisions 50,464 41,436

Net cash provided by operating activities 1,064,041 138,330
19. Trust funds

Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate Late Leonard Chant</td>
<td>1,140,109</td>
<td>1,033,910</td>
</tr>
<tr>
<td>The Institute Trusts</td>
<td>73,490</td>
<td>71,507</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>–</td>
<td>120,533</td>
</tr>
<tr>
<td><strong>Represented by</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and on deposit and trade and other receivables</td>
<td>1,213,599</td>
<td>1,225,950</td>
</tr>
</tbody>
</table>

Statement of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest — Bequest from Estate Late Leonard Chant</td>
<td>45,157</td>
<td>52,465</td>
</tr>
<tr>
<td>Interest — Other trust funds</td>
<td>2,061</td>
<td>2,541</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>47,218</td>
<td>55,006</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal fees and charges</td>
<td>(59,569)</td>
<td>(55,661)</td>
</tr>
<tr>
<td>Reimbursement of legal fees</td>
<td>–</td>
<td>120,533</td>
</tr>
<tr>
<td><strong>Available trust funds</strong></td>
<td>(12,351)</td>
<td>119,878</td>
</tr>
<tr>
<td>Opening balance</td>
<td>1,225,950</td>
<td>1,106,072</td>
</tr>
<tr>
<td><strong>Trust funds balance at end of year</strong></td>
<td>1,213,599</td>
<td>1,225,950</td>
</tr>
</tbody>
</table>

20. Financial risk management

The company's financial instruments consist of deposits with banks, accounts receivable and payable, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,321,319</td>
<td>2,610,803</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>203,004</td>
<td>173,744</td>
</tr>
<tr>
<td><strong>Total Financial assets</strong></td>
<td>3,524,323</td>
<td>2,784,547</td>
</tr>
</tbody>
</table>

Financial liabilities

Financial liabilities at amortised cost:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>720,502</td>
<td>684,911</td>
</tr>
<tr>
<td><strong>Total Financial liabilities</strong></td>
<td>720,502</td>
<td>684,911</td>
</tr>
</tbody>
</table>
Financial risk management objectives and policies
CSA Ltd’s financial instruments consist principally of accounts receivable, accounts payable, cash and short term bank deposits and bills of exchange. The purpose of these financial instruments is to maintain financial prudence of the funds and to contribute any surplus earnings towards the company’s operations.

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

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

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

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

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>3,321,319</td>
<td>2,610,803</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Post-tax surplus Higher/(lower)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 $</td>
</tr>
<tr>
<td>+1% (100 basis points)</td>
</tr>
<tr>
<td>–1% (100 basis points)</td>
</tr>
</tbody>
</table>

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

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

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

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

(e) Price risk
The company is not exposed to any material commodity price risk.

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

The following sensitivity analysis is based on foreign currency risk exposure in existence at balance date.
(g) Liquidity risk
The company manages liquidity risk by monitoring forecast cash flows and ensuring that liquidity risk arising from the company's financial liabilities is minimised so that it will meet its obligations to repay the financial liabilities as and when they fall due.

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

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

<table>
<thead>
<tr>
<th>Year ended 31 December 2012</th>
<th>Less than 1 year $</th>
<th>1–5 years $</th>
<th>Non-interest bearing $</th>
<th>Total $</th>
<th>Weighted average %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,321,319</td>
<td>–</td>
<td>–</td>
<td>3,321,319</td>
<td>4.06</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>–</td>
<td>–</td>
<td>203,004</td>
<td>203,004</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,321,319</td>
<td>–</td>
<td>203,004</td>
<td>3,524,323</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>–</td>
<td>–</td>
<td>720,502</td>
<td>720,502</td>
<td></td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
<td>720,502</td>
<td>720,502</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended 31 December 2011</th>
<th>Less than 1 year $</th>
<th>1–5 years $</th>
<th>Non-interest bearing $</th>
<th>Total $</th>
<th>Weighted average %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,610,803</td>
<td>–</td>
<td>–</td>
<td>2,610,803</td>
<td>5.24</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>–</td>
<td>–</td>
<td>173,744</td>
<td>173,744</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,610,803</td>
<td>–</td>
<td>173,744</td>
<td>2,784,547</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>–</td>
<td>–</td>
<td>684,911</td>
<td>684,911</td>
<td></td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
<td>684,911</td>
<td>684,911</td>
<td></td>
</tr>
</tbody>
</table>

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.

22. Contingent liabilities
There are no contingent liabilities as at 31 December 2012.
Directors’ declaration

Chartered Secretaries Australia Ltd

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 35–48, are in accordance with the Corporations Act 2001 including:
   (a) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   (b) giving a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date of the company.

2. In the Directors’ opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Wendy Wills FCSA
Director

Alan Evans FCSA
Director

Dated at Sydney this 16th day of March 2013

Auditors’ independence declaration

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

To: the Directors of Chartered Secretaries Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2012 there have been:

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

Cameron Roan
Partner
Sydney
16 March 2013
Independent auditor’s report

to the Members of Chartered Secretaries Australia Ltd

Report on the financial report
We have audited the accompanying financial report of Chartered Secretaries Australia Ltd (the company), which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in Members’ funds and statement of cash flows for the year ended on that date, Notes 1 to 22 comprising a summary of significant accounting policies and other explanatory information and the directors’ declaration.

Directors’ responsibility 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 in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the company’s financial position and of its performance.

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

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

Auditor’s opinion
In our opinion, the financial report of Chartered Secretaries Australia Ltd is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company’s financial position as at 31 December 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

KPMG
Cameron Roan
Partner
Sydney
16 March 2013

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.
## Detailed operating surplus and deficit accounts

for the five years 2008 – 2012

<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 subscriber fees</td>
<td>2,514,127</td>
<td>2,449,618</td>
<td>2,383,849</td>
<td>2,292,555</td>
<td>2,311,482</td>
</tr>
<tr>
<td>Graduate Diploma</td>
<td>2,313,447</td>
<td>2,233,453</td>
<td>2,247,870</td>
<td>2,316,710</td>
<td>2,243,438</td>
</tr>
<tr>
<td>Short courses and Certificates</td>
<td>2,882,259</td>
<td>2,573,925</td>
<td>2,186,718</td>
<td>1,752,435</td>
<td>1,796,821</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>518,936</td>
<td>519,022</td>
<td>503,230</td>
<td>460,309</td>
<td>533,404</td>
</tr>
<tr>
<td>Interest</td>
<td>134,517</td>
<td>159,193</td>
<td>135,689</td>
<td>85,502</td>
<td>143,322</td>
</tr>
<tr>
<td>Other income</td>
<td>93,464</td>
<td>82,384</td>
<td>95,569</td>
<td>75,021</td>
<td>101,222</td>
</tr>
<tr>
<td>Publications, journal and merchandise†</td>
<td>46,758</td>
<td>191,412</td>
<td>34,072</td>
<td>30,811</td>
<td>22,763</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,503,508</td>
<td>8,209,007</td>
<td>7,586,997</td>
<td>7,013,343</td>
<td>7,152,452</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>4,075,797</td>
<td>3,725,374</td>
<td>3,478,053</td>
<td>3,293,315</td>
<td>3,216,885</td>
</tr>
<tr>
<td>Graduate Diploma</td>
<td>655,847</td>
<td>641,171</td>
<td>627,727</td>
<td>737,644</td>
<td>825,252</td>
</tr>
<tr>
<td>Short courses and Certificates</td>
<td>842,575</td>
<td>793,166</td>
<td>667,448</td>
<td>622,127</td>
<td>675,597</td>
</tr>
<tr>
<td>Occupancy and state facilities</td>
<td>515,706</td>
<td>478,546</td>
<td>451,181</td>
<td>424,938</td>
<td>361,734</td>
</tr>
<tr>
<td>Publications, journal and merchandise†</td>
<td>282,990</td>
<td>270,222</td>
<td>295,334</td>
<td>276,853</td>
<td>273,381</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>369,095</td>
<td>287,060</td>
<td>252,217</td>
<td>232,624</td>
<td>221,356</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>221,851</td>
<td>209,985</td>
<td>192,128</td>
<td>219,631</td>
<td>266,020</td>
</tr>
<tr>
<td>Profile and website maintenance</td>
<td>400,780</td>
<td>448,059</td>
<td>478,314</td>
<td>417,757</td>
<td>417,529</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>311,620</td>
<td>234,790</td>
<td>229,419</td>
<td>215,046</td>
<td>184,757</td>
</tr>
<tr>
<td>ICSA, UK — capitation fee</td>
<td>82,655</td>
<td>82,698</td>
<td>113,598</td>
<td>154,953</td>
<td>131,890</td>
</tr>
<tr>
<td>Telephone, facsimile and email</td>
<td>84,287</td>
<td>78,333</td>
<td>80,264</td>
<td>71,543</td>
<td>85,130</td>
</tr>
<tr>
<td>Bank and credit card fees</td>
<td>88,962</td>
<td>111,820</td>
<td>104,360</td>
<td>92,490</td>
<td>93,988</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>86,970</td>
<td>92,227</td>
<td>100,013</td>
<td>93,443</td>
<td>90,292</td>
</tr>
<tr>
<td>International representation</td>
<td>121,616</td>
<td>141,906</td>
<td>87,417</td>
<td>62,600</td>
<td>83,879</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>21,354</td>
<td>17,237</td>
<td>18,041</td>
<td>20,101</td>
<td>20,518</td>
</tr>
<tr>
<td>Insurance</td>
<td>39,367</td>
<td>38,734</td>
<td>28,916</td>
<td>39,938</td>
<td>38,361</td>
</tr>
<tr>
<td>Other expenses</td>
<td>63,178</td>
<td>34,254</td>
<td>52,489</td>
<td>46,723</td>
<td>35,566</td>
</tr>
<tr>
<td>Auditors</td>
<td>23,360</td>
<td>22,660</td>
<td>25,000</td>
<td>21,800</td>
<td>21,000</td>
</tr>
<tr>
<td>Professional services</td>
<td>18,747</td>
<td>31,573</td>
<td>44,875</td>
<td>45,684</td>
<td>58,773</td>
</tr>
<tr>
<td>Refund of payroll tax</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(609,430)</td>
<td>–</td>
</tr>
<tr>
<td>ICSA Structural Reform</td>
<td>46,144</td>
<td>341,346</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Chant Legacy Trust legal fees</td>
<td>110,533</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,352,901</td>
<td>8,191,694</td>
<td>7,326,794</td>
<td>6,479,780</td>
<td>7,101,908</td>
</tr>
</tbody>
</table>

### Surplus from ordinary activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total surplus</strong></td>
<td>149,556</td>
<td>16,820</td>
<td>260,035</td>
<td>529,053</td>
<td>51,714</td>
</tr>
</tbody>
</table>

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

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

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

†††† ICSA structural reform costs incurred during the year consist of legal, meetings, constitutional and proxy solicitation fees spent on the ICSA/CSA governance matters.

††††† Chant Legacy Trust legal fees in note 1(n).

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

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

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

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