

Annual Report 2009



destinations

forward thinking

Our vision: CPA Australia is the global professional accountancy designation for strategic business leaders.

Who we are

CPA Australia is one of the world's largest accounting bodies with almost 129,000 members working in 110 countries. We operate in chosen markets throughout the world - our brand and our market is global.

Our focus on strategy, leadership and international business is what sets us apart from other similar bodies and provides our members with a competitive advantage in the global marketplace.

Knowledge drives the modern global economy and is at the heart of what we offer. CPA Australia equips its members with essential skills through delivering and facilitating the exchange of knowledge between members.

Since 1886, we have anticipated and embraced change to better serve the needs of our members and their employers. Through the quality and nature of the services we provide, CPA Australia can assist existing and future members to realise their potential, achieve their goals, and benefit from the support of one of the largest finance and business networks in the world.



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09 highlights

Strategic highlights

- + Launch of revised CPA Program and entry pathways (see pages 6 and 7)
- + New brand strategy implemented (see page 5)
- + Launch of the Career Guidance System (see page 8)
- + Signed strategic agreements with major professional accounting bodies (see page 4)

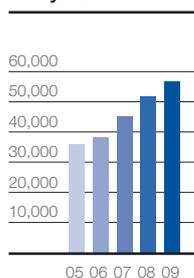
Operational highlights

- + Strong growth:
 - record membership of 128,995 in 110 countries (see page 13)
 - Passport students close to 50,000
 - new members intake now roughly 50/50 male/female
 - CPA Program course enrolments reach a record 57,612

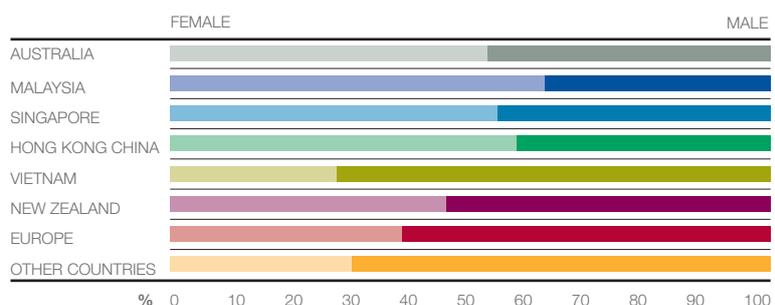
Financial highlights

- + Surplus of \$3.548m before tax (see page 26)
- + Strong operating performance

CPA Program segment enrolments in the last five years



2009 New admissions



President's report

I have been honoured to serve our members during much of 2009 in the role of President of CPA Australia. It has been a rewarding year, one in which we took vital steps toward realising CPA Australia's vision to be the global professional accountancy designation for strategic business leaders.

Geoff Rankin FCPA retired as Chief Executive Officer in October. CPA Australia's enhanced reputation in the international business arena will be a lasting legacy of Geoff's leadership, as will his commitment to unite staff throughout the organisation to work together as 'one CPA'. His successor, Alex Malley FCPA, has already started to make improvements across a range of areas in the business, including significant improvements to member service that will continue to position CPA Australia as a leader of the accounting profession globally.

It is an exciting time of change for CPA Australia, particularly with the delivery of the new entry pathways which was a major milestone of our 2009-11 Corporate Plan. The new entry pathways make the CPA designation more *accessible* to but not *easier* to obtain. The revised CPA Program to which the new entry pathways lead is intellectually challenging and technically rigorous. It upholds CPA Australia's commitment to high quality standards and the offer of a truly global accounting designation.

Providing members with access to knowledge that meets their educational and career needs is of paramount importance to CPA Australia. With this in mind, during 2009 we increased our focus on member knowledge and we continued to identify and implement the latest technologies to deliver even more efficient and innovative avenues for knowledge exchange.

CPA Australia's commitment to the concept of lifelong learning, and to empowerment through education, is one of the reasons that I chose *Room to Read* as the President's Charity. *Room to Read* works with local communities throughout the developing world to educate children. It seeks to intervene early in the lives of children in the belief that education improves socioeconomic conditions for the children, their families, communities, and countries; now and into the future. I am pleased that so many members have joined with me in supporting *Room to Read* and heartened by the many conversations I've had with members during the past year about the power of education to bring about positive and meaningful long-term change.

During the year, CPA Australia continued to play a unique role in bringing accounting and the business of sustainability together. We have been heavily involved in furthering an awareness and knowledge of sustainability reporting and non-financial reporting among our members, and throughout the business community more broadly.

In line with our organisational ethos regarding sustainability, we relocated our corporate headquarters to new premises in Melbourne's Freshwater Place in November. The building has a four star green rating which reflects our strong commitment to sustainable business practices, and it offers vastly improved facilities for members and staff. The innovative and environmentally sustainable office design provides a work space that aims to encourage collaboration among staff so as to ensure that they provide premier global service to members of CPA Australia.

One of the most satisfying aspects of being part of CPA Australia's leadership and governance team is the opportunity I've had thus far to engage with members and stakeholders. I sincerely appreciate the assistance, energy and guidance that staff and members have displayed during a volatile and testing year. I am also thankful to my colleagues on the Board for their commitment, leadership and professionalism in dealing with a range of challenging issues.

With support from our global network of members, the organisation has worked tirelessly to highlight the ways in which CPA Australia members drive business success through their technical expertise and through their strategic understanding of business. I will continue to support members and staff in highlighting the many achievements and abilities of our members and our organisation during the rest of my term as President, and I look forward to working with you as we continue that journey together.



Professor Richard Petty FCPA
President

Progress on our 2009–11 Corporate Plan: first year milestones

The 2009-11 Corporate Plan set an ambitious vision for the organisation and the 2009 Performance Contract reflected this with a challenging set of targets. Some encouraging results proved 2009 to be a productive year despite the economic downturn. The broadening of entry pathways, revision of CPA Program, increasing access to knowledge, and continuing alignment of brand activity across markets have provided a strong base to maximise the share of people who want a career built on professional accounting skills.

Build the CPA Australia brand and market for growth

- + multi-faceted Brand and Communications strategy developed
- + employer relationships strengthened

Provide CPA Program and entry pathways that are globally competitive

- + CPA Program revised
- + access broadened

Provide members with ready access to knowledge that enhances their career

- + Career Guidance System launched
- + more virtual modes of learning and engagement provided
- + training products rationalised

Develop organisation capability

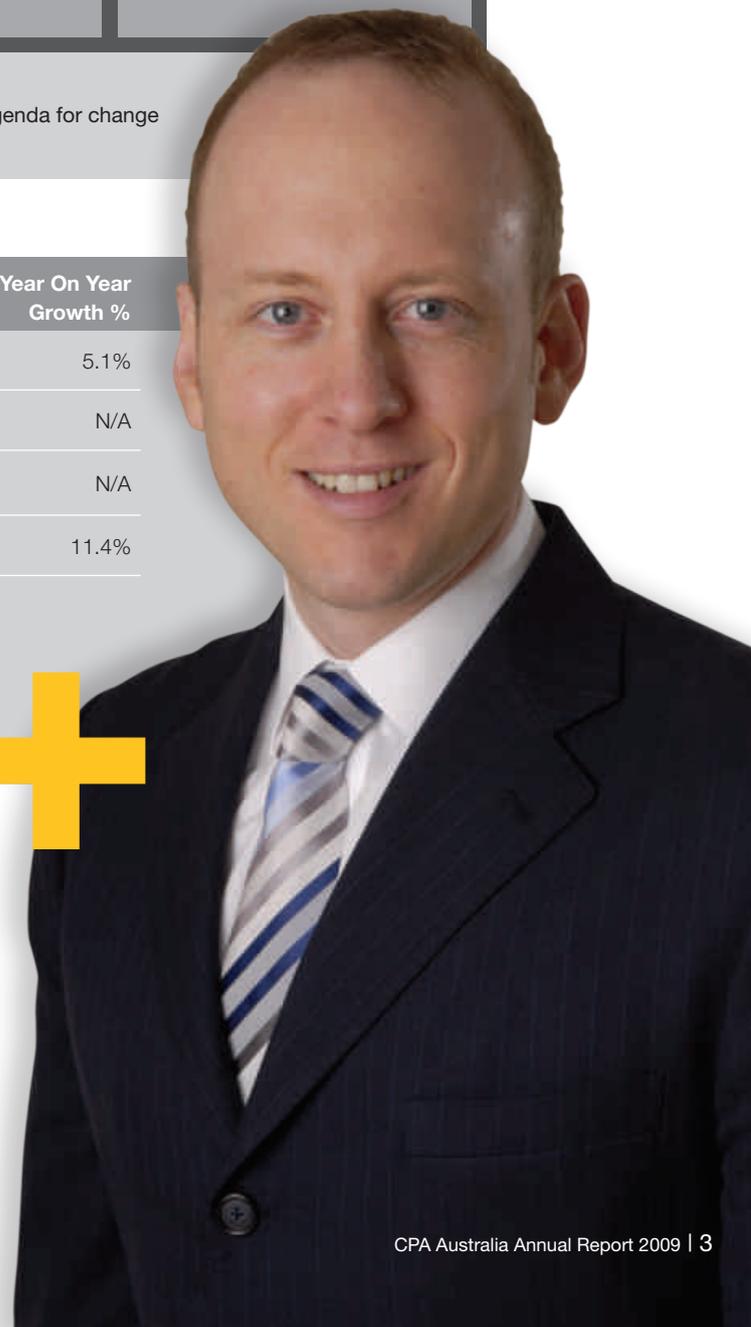
- + Comprehensive leadership training provided to deliver our agenda for change
- + business systems review

Performance Scorecard

Key Performance Indicators	2008	2009 Target	2009 Performance	Year On Year Growth %
Net membership	122,743	129,364	128,995	5.1%
Cost efficiency	N/A	\$4.2m	\$3.6m	N/A
Break even result before tax	\$1.806m	\$0	\$3.548m	N/A
CPA Program sales	51,696	57,477	57,612	11.4%



leadership



CEO's report

With the advent of the 2009-11 Corporate Plan, our shared mission has been to take CPA Australia from being a strong, vibrant organisation to being a truly global body that delivers premier quality service to our members, wherever they may be.

It is a mission we have taken great strides towards achieving despite some of the most difficult and extraordinary economic conditions of our times. To date, we are pleased with our progress, but nobody at CPA Australia is under the illusion that our work is done. Providing value to members is our core business and an ongoing commitment.

We are mindful of the need to remain attuned to our members and to be both innovative and tireless in our endeavours if we are to position CPA Australia as the global professional accountancy designation for strategic business leaders. These tenets are fundamental to our mission of continuous improvement.

To this end, I am happy to report good progress has been made towards many of our long-term goals which are reflected in the results of the past year.

Our project to improve accessibility to obtain the CPA designation tracked really well against time and budget. New admissions have exceeded expectations and are 8 per cent ahead of 2008, while increasing interest in our CPA Program led to an 11 per cent growth on the previous year. This is a strong reflection of the enhanced strength of the CPA Australia brand in existing and emerging markets and an exceptional result given the global financial crisis.

Balancing out against those successes however, we have missed some targets including completion of our website redevelopment and cost-efficiencies benchmark. Overall, it was a good effort and our business looks sharper every day.

Opportunities for our members continue to grow internationally as our brand becomes more widely known and our reputation as a high quality thought leader continues to strengthen.

Our relationships and reach with professional accounting bodies from around the globe continues to grow to the advantage of our members. CPA Australia has entered into mutual recognition agreements with many leading international accounting and finance professional bodies and three new partnerships – with the Chartered Institute of Management Accountants (CIMA), the Institute of Chartered Accountants of India, and CPA Ireland - were confirmed in 2009. Our existing Mutual Recognition Agreement with the Institute of Certified Public Accountants in Singapore was also renewed for a further five year term. These agreements all provide CPA Australia with a unique opportunity to advance the interests of our members and the profession through collaborative advocacy, knowledge exchange and expanded international networks.

In July 2009, CPA Australia launched its World of Opportunities campaign to support our enhanced CPA Program and our new pathways to obtain the CPA designation – changes that were introduced to address the needs of employers and to provide candidates with a highly-valued and relevant designation in an ever-changing global business environment. These changes have maintained and strengthened the quality standards required to carry the CPA designation, whilst providing more people with the opportunity to pursue a career built on professional accounting skills

CPA Australia has also invested in the latest technologies to provide members with accessible, high quality knowledge and content that will enable them to keep pace with the rapid rate of global change. In 2009, more than 4,000 members worldwide participated in 85 webinars hosted by CPA Australia. The number of members accessing e-books from the CPA Library more than doubled in the second half of the year to 5,700. The use of video and live-streaming technologies, social networking forums and virtual world encounters such as Second Life continues to develop, leading to greater opportunities for the vast majority of our members who are not in a position to easily attend our offices.

Notwithstanding these welcome technological advances, we are aware that we owe it to our members and ourselves to keep our processes simple and efficient, to provide premier quality service at all times, and to create fair expectations that we strive to exceed wherever and whenever possible.

We have a sharp corporate plan informed by member research and by staff insight. We have a talented and committed Board of Directors and no shortage of members who volunteer their time to contribute to the health of their membership body through Divisional Councils, committees, Centres of Excellence, branches and discussion groups. We have staff who understand that their role is to provide our members with a positive member experience. And we have a vision: to offer our members more than a designation – to offer our members a lifelong learning experience which in turn offers them career opportunities as diverse as the people who take them.

I look forward to sharing the journey with you.



Alex Malley FCPA
Chief Executive Officer

At your service

Service to members is foremost in our minds as we work to assist members throughout their career journey. Service to members has long been a mantra for CPA Australia and as CEO I am committed to ensuring we live it and breathe it in every way we can. Every initiative – large or small – that we undertake to improve our service empowers members to unlock their full potential and achieve their professional goals.

Members are our primary stakeholders, and we must be accessible and accountable to them. In my first article as CEO in InTheBlack I published my email address and mobile phone number and invited members to call if they wanted to speak to me. The offer remains open and, in case you missed them, my contact details are at the foot of this page. Accountability starts with me.

Members need to feel that they can be heard by those who represent them and that their views will be duly considered in a reasonable timeframe. That is fundamental to the concept of service and our aim to be simply the best in providing it.

A 'member promise' has been posted in all staffed offices asking members to provide feedback on how we have performed in meeting their expectations. It asks members to call the relevant General Manager or the Executive General Manager of Member Services, or provide written feedback via self-addressed postcards prominently placed in our offices, and promises a response within 24 hours.

In our 2009 performance contract with the Board there were nine major strategic projects, all of which will result, or have already resulted, in improving our service to members. In terms of weighting the achievement of each, review of business systems to identify improvements - tellingly called Member First - was weighted highly, signifying its importance in the eyes of the Board. This project will unlock the potential of the business to service our members and maximise growth.

In contrast to this 'behind the scenes' improvement, the roll out of our brand strategy is already visible through market specific positioning, media outreach, our website redevelopment, marketing collateral, events and much more. Collectively, these activities build global recognition of the brand and what it stands for, which is a plus for our members, their employers, and their clients. Living the Brand, a key program rolled out to all business units in the latter part of the year, reinforced our brand attributes and philosophy of service.

I have touched upon only two of our strategic projects and two small gestures to illustrate the different ways in which service can be provided. In this report you will find many examples of the service that is being provided to members as they pursue their individual careers all over the world. Our aim is to provide premier global service – for a premier global brand, nothing less will do.

*Alex Malley's contact details are
ceo@cpaaustralia.com.au and
+61 (0)401 815 753.*

Member First key benefits

Program Outcomes

Updated core systems that are standardised, integrated and aligned to appropriate business processes

Reliable, single source of information

1. Reliable information is available, more easily extracted, analysed and reported
2. Effective customer segmenting and targeting
3. Reduce internal costs and inefficiencies
4. Increase member satisfaction
5. Better KPI management
6. Reduce IT risk profile
7. Increase staff satisfaction
8. Increase operational agility
9. Enable multi-jurisdictional capability

passion



Pathways and CPA Program

Given the complex and dynamic issues facing organisations in today's global marketplace, CPAs need to be equipped with more than technical skills.

CPAs need to be armed with the business, personal effectiveness and leadership skills that are essential to steering organisations through constantly changing business and economic conditions. As these skills are increasingly sought after by employers, they are also essential for members' continuing professional development, career progression and leadership capabilities. Facilitating the professional achievements of our members lies at the heart of these changes and CPA Australia's strong commitment to first-class education and service.

In 2009, for the first time in more than 20 years, CPA Australia made fundamental changes to the model by which people are certified as CPAs. These changes increase accessibility to obtaining the CPA designation

The changes were centred on two major objectives:

1. Changing the structure and content of the professional examinations in CPA Program to ensure that they properly reflect the positioning of CPAs as possessing technical proficiency and a focus on strategy, leadership and international business; and
2. Increasing access to more people to commence CPA Program and work towards becoming a CPA, whilst still requiring candidates to demonstrate the highest standards of competence and ethics to carry the CPA designation.

The broadened pathways and the revised CPA Program are a crucial part of our efforts to ensure the designation continues to be recognised by employers globally as a highly valuable asset that drives business success.

Changes to CPA Program

The revised CPA Program, commencing from the first semester 2010, has been designed to provide accounting professionals with the business acumen to succeed anywhere in the world. The content and delivery of CPA Program was reviewed drawing on employer, academic and member feedback about how to ensure that CPA Program provides candidates with one of the most highly valued and global designations in the world.

The program is a rigorous, world's-best education and experience program, comprising 14 examinations/education segments and integrated workplace learning.

The foundation level represents the first eight exams of the complete CPA Program and provides candidates with the stable base of knowledge of accounting principles and practice that underpin the financial dimension of an organisation - measurement and recording of financial transactions, financial decision making, financial reporting, controls, management reporting, business finance, economics, business law and assurance.

The foundation level exams are designed to assess technical knowledge gained through work experience or study to ensure candidates are ready to undertake the professional level of CPA Program.

Each of the exams tests the core knowledge required to begin the professional level of CPA Program. The exams that make up the foundation level are:

- + Foundations of Accounting
- + IT and Business Processes
- + Economics and Markets
- + Fundamentals of Business Law
- + Business Finance
- + Financial Accounting and Reporting
- + Management Accounting
- + Accounting Concepts and Principles

The foundation level is designed to provide an option for candidates that need top-up units to meet core knowledge requirements. This includes graduates that do not meet all of our core knowledge requirements, who will be able to undertake one or more foundation exams in order to then enrol in the professional level of CPA Program.

The foundation level will also allow candidates with significant work experience to demonstrate the knowledge obtained in the workplace by undertaking the foundation exams in order to then enrol in the professional level of CPA Program.

CPA Program professional level is made up of six postgraduate education segments and the practical experience requirement. The professional level builds on the foundation level with higher level analysis, judgment, decision making and reporting and focuses on areas that ensure a CPA is valued by any employer - ethics, governance, leadership and strategy.

The professional level education segments include:

Three compulsory segments

- + Ethics and Governance: The CPA as a professional
- + Strategic Management Accounting: The CPA as a value driver
- + Financial Reporting: The CPA as a communicator

Two of the following four elective segments:

- + Financial Risk Management: The CPA as a guardian
- + Advanced Taxation or Singapore Taxation*: The CPA as an advisor (local variants may apply)
- + Advance Audit and Assurance: The CPA as an auditor
- + Contemporary Issues in Business: The CPA as an innovator

And the final compulsory capstone segment:

- + Global Strategy and Leadership: The CPA as a strategic business leader

**CPA Australia is working hard to offer flexibility in candidates' tax segment choices in the professional level of CPA Program. CPA Australia has been working closely with Tax Academy of Singapore with a shared commitment towards the development of professional and competent tax practitioners in Singapore and the broader tax community. This culminated in the signing of a Memorandum of Understanding (MOU) with Tax Academy of Singapore in August 2009 which sealed the launch of the new Singapore Taxation segment. Locally relevant content will be delivered via tutorials held in Singapore. With an understanding of Singapore tax law, candidates will be able to position themselves to be more employable and knowledgeable in business dealings with Singapore clients and companies. Candidates had the option to enrol in this new segment from 7 December 2009.*

By completing the practical experience requirement, which is an integrated part of the professional level, candidates will continue to benefit from the knowledge and experience of more experienced and established members of the profession, and through a combination of learning experiences, develop the appropriate skills, knowledge and values required of a CPA. Under the practical experience requirement, candidates will be required to demonstrate technical skills, broad business skills, leadership skills and personal effectiveness skills in order to be eligible to be certified as a CPA.

New pathways to the CPA designation

CPA Australia is also providing more ways for people to become a CPA from a variety of educational backgrounds. The new pathways to membership will welcome people who want a career built on professional accounting skills – in Australia and around the globe – and who have the desire, appropriate level of competence and appropriate approach to ethics and integrity to carry the CPA brand. This is *not* to say that candidates will gain the CPA status with less accounting knowledge that is required today; but rather that there will be more ways for

candidates to demonstrate that knowledge, including recognition of prior studies that might not have been part of an accredited accounting degree. Furthermore, the requirement for every CPA to hold a degree or post graduate award recognised by CPA Australia remains a testament to the calibre of our members.

Graduates from other disciplines and candidates with gaps in their core knowledge will have more options to fill in the gaps in their core accounting, finance and business knowledge in order to work towards CPA status.

Offering exceptionally high standards and quality - recognised by ISO 9001 certification - today's CPA Program is a rigorous, integrated education and experience program. Both the education and experience requirements of CPA Program remain the quality filter to ensure that only those candidates with the appropriate skills and experience can advance to CPA status.

To be a CPA, candidates must:

- + hold a degree or a postgraduate award recognised by CPA Australia;
- + demonstrate competence in the prescribed foundation level knowledge;
- + successfully complete the professional level segments; and
- + successfully complete the three year practical experience requirement.

Increasing international business competitiveness presents both challenges and opportunities for accounting professionals and the profession more broadly. Skills in strategy, leadership and international business are prerequisites for professional success today and are therefore now core to CPA Australia's offering. CPA Australia has embarked on these changes to ensure the designation and its holders are recognised as strategic business leaders equipped with the capabilities essential to succeed in international business and their chosen career destination.

Program+journeys

Foundation level

- F Foundations of Accounting
- F IT & Business Processes
- F Economics & Markets
- F Fundamentals of Business Law
- F Business Finance
- F Financial Accounting & Reporting
- F Management Accounting
- F Accounting Concepts & Principles

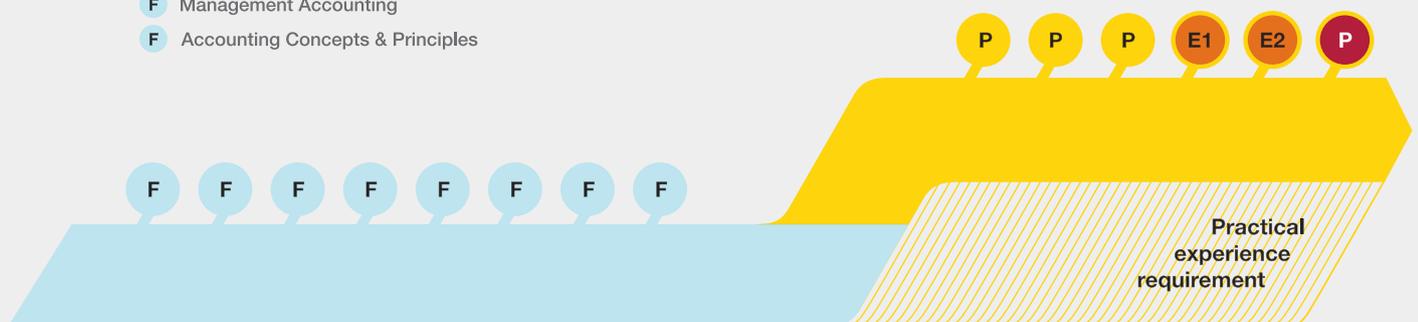
Professional level

- P Ethics & Governance
- P Strategic Management Accounting
- P Financial Reporting
- E1 Elective #1
- E2 Elective #2
- P Global Strategy & Leadership

Choose two possible electives

- E Taxation*
- E Advanced Audit & Assurance
- E Contemporary Business Issues
- E Financial Risk Management

* Local variants may apply, please check with CPA Australia for more information



Important: An individual's entry point along the CPA Program journey will be determined on assessment of prior education and experience. For many candidates, completion of an accredited or recognised degree will meet all the requirements of the foundation level.

Empowering through Knowledge Exchange

As knowledge and information increasingly drive the global economy and international business success, CPA Australia strives to ensure its members have access to valuable knowledge through a global network of business and finance professionals.

Access to this network of information and resources will assist members throughout their career journey and equip them with the knowledge and perspectives to realise their potential and achieve their goals.

In 2009, CPA Australia expanded its knowledge exchange activities by harnessing both traditional and new media channels allowing members to access information, insights, commentary and analysis anytime, anywhere. Our activities in the social media space in particular saw significant advances. These included, for the first time, CPA Congress sessions streamed live on the web, the use of Twitter and the increased use of collaborative tools.

This combination of new media and the more traditional channels, such as the continuation of our partnership building with various international bodies, further enhanced our capabilities to facilitate the exchange of knowledge among members as well as between the organisation and members.

CPA Congress

In 2009, CPA Congress again showcased how we utilise technology and social media for maximum member benefit, regardless of geographic location.

There were a range of activities designed to enable members to connect, share, learn and enrich their CPA Congress experience. Underpinned by themes of 'connecting and exchange' and 'anytime, anywhere', we provided opportunities for members and conference delegates to access interactive online resources that took CPA Congress beyond the face-to-face.

Using a range of social media and virtual learning activities, we enabled delegates to network with colleagues, share their thoughts and opinions, watch streaming videos of selected sessions and connect to people globally by hosting interactive sessions in the virtual world of Second Life.

All these activities could be accessed through the central point of the CPA Congress microsite at <http://cpacongress.com.au/connect>

CPA Congress blog

The CPA Congress blog gave the latest news before, during and after CPA Congress around the country, including expert opinions and video content, photos and vox pops. It also offers people the chance to post their thoughts on a range of topics.

Visit <http://blog.cpacongress.com.au>

Live streaming and on-demand videos

We live-streamed two events from Melbourne's CPA Congress and recorded several more for 'video on-demand' viewing. Visit the CPA Congress blog to access videos of various Congress sessions.

<http://blog.cpacongress.com.au/2009/10/26/watch-recorded-sessions-from-cpa-congress/>

We also filmed and produced member vox pops, interviews and other informational videos and made them available via CPA Australia's YouTube channel www.youtube.com/cpaaustralia

Second Life

At CPA Congress 2009, we offered two sessions in our virtual world CPA Congress centre in Second Life. We had members from across the globe experience virtual world sessions to interact with the speakers and network with like-minded peers. One session featured a panel discussion with small business experts, while another hosted a highly interactive 'knowledge café' discussion.

- + View photos from sessions in CPA Congress in Second Life, along with other photos from CPA Congress, at www.flickr.com/search/show/?w=all&q=cpacongress&m=tags
- + Watch a video from the SME session in Second Life: <http://www.youtube.com/watch?v=hslfzdO3zms>
- + Visit CPA Australia's CPA Congress Centre in Second Life: <http://slurl.com/secondlife/Bracket/51/98/28/?title=CPA%20AUSTRALIA%20CONGRESS%20CENTRE>

Twitter

Launched for CPA Congress, CPA Australia is using micro-blogging service Twitter to deliver short, sharp news and enable conversation between CPA Australia and members across the globe.

By following short 140-character 'tweets' read on the web, our members gain further access to CPA Australia, industry news and related articles, and can connect with other CPAs on Twitter.

Visit www.twitter.com/cpaaustralia

Vox pops

We recorded vox pops during each CPA Congress via our 'roving reporters'. Posted on the blog and uploaded to YouTube, we shared what members had to say about their CPA Congress experience.

Social networking and content aggregation

We encouraged members to share their CPA Congress experiences with others by:

- + Blogging;
- + Photo sharing; and
- + Visiting Facebook and LinkedIn: the official Facebook group for CPA Australia worldwide allows members to network and share knowledge with other CPAs, see CPA Program tips and find out about upcoming events: www.facebook.com/group.php?gid=60984520543.

Our LinkedIn group provides a place for members to discuss hot topics, access news and network virtually. www.linkedin.com/groups?gid=103561

Knowledge café sessions

As part of encouraging knowledge sharing among members, the Knowledge Exchange team conducted face-to-face sessions at each CPA Congress: Remaining relevant - learning through conversations in a Web 2.0 world:

Organisations increasingly recognise that learning primarily occurs through exchanging experiences and knowledge with others. The internet has extended our reach across time zones and geographic borders to enable learning and sharing anytime, anywhere.

The roundtable session explored the benefits of informal learning and how Web 2.0 enables CPA Australia members and other like minded professionals to connect and collaborate.

Feedback from members was positive, with several members posting their thoughts about the session on Twitter.

Member communities

During 2009, CPA Australia researched, developed and facilitated virtual member communities. A virtual community is a term used to describe a group of people with a common interest that come together online to discuss, share and collaborate.

Virtual communities can use a range of online Web2.0 tools including member profiles, discussion forums, a wiki or collaborative workspace, instant messaging etc. Two were launched in 2009:

Return to Work

- + This community was brought together to address the need among members who – for a variety of reasons – may have been out of the workforce for any period of time, and want to remain connected to the profession, to like-minded people, and build their opportunities and skills to re-enter the workforce.

Carbon and Sustainability reporting

- + Issues of corporate social responsibility are growing in prominence everyday. With the increasing focus on sustainability reporting and organisations' accounting for their greenhouse gas emissions, accountants are heavily involved. This virtual community provides a platform for members to share views and information on a range of business sustainability issues and the role of accountants in addressing these issues.

YouTube Channel

Launched in May, CPA Australia's YouTube Channel provides easy access to the broad range of video content created by CPA Australia of interest to the profession and beyond.

Advancing the profession and members' interests through international agreements

Our relationships and reach with professional accounting bodies from around the globe continues to grow to the advantage of our members.

CPA Australia has entered into mutual recognition agreements with many leading international accounting and finance professional bodies and three new partnerships – with CIMA, the Institute of Chartered Accountants India, and CPA Ireland – were confirmed in 2009. Our existing Mutual Recognition Agreement with the Institute of Certified Public Accountants in Singapore was also renewed for a further five year term.

These partnerships all provide CPA Australia with a unique opportunity to advance the interests of our members and the profession through collaborative advocacy, knowledge exchange and expanded international networks.



Empowering through Knowledge in Action

Demonstrating the professional expertise and leadership of CPA Australia, its members and the profession more broadly through thought leadership is essential to increasing demand for CPAs across a wide variety of industries and markets.

Our advocacy agenda has enabled the organisation to advance the interests of members and the profession more broadly through our engagement with key stakeholders such as governments, employers, industry groups, non-government organisations, media and business. Building our recognition, influence and reputation with these stakeholders improves members' career prospects and helps drive future demand for accounting professionals.

Jennifer Lauber Patterson CPA was nominated by the International Emissions Trading Association to attend the G20 Leaders conference in Copenhagen as a non-government organisation observer. She is a consultant specialising in advising industry on sustainability, carbon, and renewable and energy efficiency markets.



CPA Australia's knowledge and policy expertise which informs our extensive advocacy work is crucial in establishing the organisation as a respected player in government policy decision making. Influencing public policy on this scale serves three distinct purposes to:

- + ensure that the interests of our members and the profession are factored into policy deliberations
- + act as a trusted and sought after adviser to government
- + contribute to the ongoing development of the productivity, sustainability and business friendliness of the markets in which we operate.

Advocacy highlights for 2009 include:

Shaping policy

2009-10 Federal Budget recommendations

CPA Australia once again responded to the Australian Government's call for submissions for the 2009-10 Federal Budget and advocated on behalf of the membership across eight key areas including sustainability reporting, skills shortages, superannuation and retirement savings, innovation, government agency funding and regulation. President Richard Petty detailed CPA Australia's position to the nation's media shortly after the budget was handed down.

Climate for change

CPA Australia publicly commented on the Carbon Pollution Reduction Scheme (CPRS) White Paper released by the Australian Government in late 2008. We argued that the success of the CPRS depends greatly on the development of extensive supporting infrastructure including a reporting and assurance framework to support robust and accurate reporting of businesses' emissions performance. CPA Australia worked closely with government throughout 2009 through written submissions, consultation sessions and meetings to ensure the membership was well represented on the issues. We directly engaged Australia's Minister for Climate Change and Water, Senator the Hon Penny Wong, on principles to guide the reporting and accountability frameworks for the CPRS and the National Greenhouse Energy Reporting System.

CPA Australia's Sustainability Report

CPA Australia's 2008 Sustainability Report was the only sustainability report produced by a professional accounting body anywhere in the world to be both independently assured and checked by the Global Reporting Initiative. The 2009 report will be distributed to key government stakeholders to demonstrate CPA Australia's commitment to advocating the value of non-financial reporting and acting as a responsible and ethical organisation which contributes to the communities in which it operates.

Stimulus for Australia

CPA Australia was the only professional accounting body to be asked to participate in the Inquiry into the Rudd Government's proposed \$42 billion stimulus package. CPA Australia presented evidence and answered questions at the Inquiry and also submitted a written statement to the Committee which gave the opportunity to highlight issues set out in our 2009 pre-budget submission, including targeted tax incentives to encourage behavioural change towards greenhouse gas emissions and reducing the disincentives to vary PAYG installments to improve business cash flows.

State of the Nation

President Richard Petty fulfilled a key role in sessions at this conference in Canberra. One was on the Government's economic agenda with Treasurer the Hon Wayne Swan MP and another was on budget reform in the light of the financial crisis with Minister for Finance and Deregulation, the Hon Lindsay Tanner MP. The President also facilitated a panel session of senior industry and government analysts, commentators and policy specialists on the implications for budget and policy priorities arising out of the financial crisis and met with the Hon Malcolm Turnbull MP following his address on the Opposition's perspective of the state of our nation. The annual event is convened by the Committee for the Economic Development of Australia.

Australia's tax review

CPA Australia has played a key role in consultations on the Henry Review of Australia's Future Tax System. In multiple submissions, CPA Australia recommended reductions in company and personal tax, removal of inefficiencies in the Commonwealth-State tax system and a range of measures to encourage the successful adoption of emissions trading. The current global economic events have highlighted the importance of having a robust, competitive economy and a tax system that emphasises competitiveness, efficiency and productivity will provide the necessary platform.

Hong Kong tax survey findings

CPA Australia again conducted an annual tax survey in Hong Kong in advance of the Hong Kong budget. The survey gauged the business community's perception on the tax regime and identified tax relief measures to help business sectors and individuals amid the current downturn. The survey results and recommendations were presented to the Hong Kong Financial Services and the Treasury Bureau and the HKSAR government.

International leadership

G20 Leaders meeting

In the lead up to the G20 leaders' meeting in Pittsburgh, CPA Australia delivered key messages to the offices of Prime Minister Kevin Rudd, Minister for Financial Services, Superannuation and Corporate Law Chris Bowen and Shadow Minister for Financial Services, Superannuation and Corporate Law Chris Pearce. We urged G20 leaders to encourage wider adoption of sustainability reporting to enhance business transparency and improve market confidence, arguing that the recent global economic upheaval should not deter G20 leaders, governments, business, industry and the wider international community from improving sustainability practices and developing a capacity to disclose their sustainability performance.

G'Day UK

CPA Australia played a key sponsorship role at the 2009 event where strategic business leaders shared ideas and current trends in financial services, resources, climate change, and perspectives on 2012 and beyond. G'Day UK represented the combined efforts of Australian federal and state governments, Qantas and Tourism Australia to deliver a program focused on strengthening the economic, political and thought leadership ties of the two countries and provided a significant platform for increasing CPA Australia's brand awareness in this market.

Capacity building in the region

CPA Australia continued its commitment to building the capacity of the accounting profession in developing economies in the Asia-Pacific region through the International Partnerships Program (IPP). With support from AusAID and other partners, the 2009 cohort of participants commenced their CPA Program studies in Australia. CPA Australia welcomed participants from Bhutan, Cambodia, Fiji Islands, Laos, Mongolia, Samoa, Sri Lanka, Papua New Guinea, China and Vietnam.

Business delegation to Vietnam

Australia's Minister for Trade, the Hon Simon Crean MP, visited Vietnam in late July to pursue Australia's trade and economic interests at a range of Ministerial and other high level meetings. CPA Australia, represented by Executive General Manager International Development Paul Wappett, was a member of the business delegation that accompanied Minister Crean.

Mr Wappett, at the request of Minister Crean's office and Austrade, Australia's trade and investment development agency, delivered Australia's key messages to Mr Phuc relating to barriers to trade for continued investment by Australian exporters of education, financial services and agribusiness.

United Nations Global Compact

CPA Australia joined the United Nations Global Compact, the world's largest voluntary corporate citizenship initiative. Launched in 2000, the UN Global Compact is a both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. It seeks to align business operations and strategies with

ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Our membership of the UN Global Compact is a further tangible commitment to the highest levels of sustainable business practice in the global markets in which we and our members operate.

2009 Asia Pacific Small Business Survey

The CPA Australia Asia - Pacific Small Business Survey 2009 surveyed small business operators in Hong Kong, Malaysia, Singapore and Australia to gauge access to finance, employment trends, business management practices and growth expectations. Media coverage of the survey results was extensive. Copies of the survey were shared with key government stakeholders in all relevant markets as well as the APEC Small and Medium Enterprises Working Group.

Australia-India relationship

CEO Alex Malley FCPA wrote to Australia's Minister for Education, Employment and Workplace Relations, the Hon Julia Gillard MP, welcoming her announcement that the Australian and Indian governments were to form a joint working group on student mobility and also sought further information on the annual education Ministers' dialogue. The letter also informed the Minister of CPA Australia's relationship with the Institute of Chartered Accountants of India (ICAI) and reported the successful negotiation of the mutual recognition agreement that came into effect on 1 April 2009.

knowledge

Empowering through Knowledge Partnerships

Knowledge is a vital component of CPA Australia's core business. Our knowledge assets are a great source of competitive advantage for our members and the quality and availability of our information is vital to their success and career opportunities.

Building and maintaining key partnerships provides the networks that allow members to access and exchange the knowledge they need to succeed in business. In 2009, our knowledge offer continued to evolve as CPA Australia increasingly leveraged multimedia technologies while also delivering more traditional resources for professional development. Here are some of the highlights:

Professional development

In 2009, CPA Australia provided over 51,000 members and business professionals learning opportunities, from webinars and e-learning through learning and development, member events and CPA Congress. With the availability of new technologies we were able to provide all members access to learning at competitive prices. We also ran a series of webinars at no cost to members, the most popular being the Peter Switzer, *On The Pulse* series. More than 2,000 members throughout the world participated in these complimentary webinars. This series of member value webinars will continue into 2010 with both Peter Switzer and a new series featuring leading economists from the Asia Pacific region.

CPA Congress

In 2009, our flagship event CPA Congress was held in Queensland, NSW, Victoria, Singapore, South Australia, ACT and West Australia and the Asian Regional Conference was held in Hong Kong.

At the Australian based Congresses we:

- + welcomed a total of 9,305 participants;
- + heard 425 speakers present at 484 sessions;
- + loaded 353 session papers onto My Online Learning (reducing CPA Australia's carbon footprint); and
- + facilitated members' virtual experience of CPA Congress through blogs, twitter, Second Life and webcasts.

Member events

Member events were reviewed and streamed into the following categories:

- + Launch Pad - providing career development options for our Associate members and individuals early in their career;
- + Spotlight - for all business professionals featuring contemporary business issues;
- + Career Builder - for CPAs and other experienced professionals providing professional development and networking opportunities;

- + Masters series - connects professionals over 50 who wish to stay abreast of business issues, learning and sharing of knowledge;
- + Horizon - a chance for all members to look ahead at some of the products and services available through membership.

In 2009 more than 10,000 business professionals participated in member events throughout Australia.

Practical experience requirement (PER) 2010

Following extensive development throughout 2009, a three-year practical experience requirement (PER) will be introduced into the CPA Program in 2010. The PER provides a competency framework for developing and demonstrating practical workplace skills at a professional level in accounting and/or finance. Under the supervision of an approved mentor, aspiring members will benefit from the knowledge and experience of established members in the accounting profession while developing the skills, knowledge and values required of a CPA.

The PER develops technical, business, personal effectiveness and leadership skills. The combination of these different skills assists members to be a work-ready professional accountant to realise their potential as future business leaders.

The PER is designed to align with the professional level of CPA Program. Completion of the PER is a rewarding experience for the mentee and the mentor, both professionally and personally. The mentee receives support from their mentor through access to his or her expertise, skills and insights.

The PER will be introduced on 1 January 2010.

Launch of the Career Guidance System

In November 2009, phase one of CPA Australia's Career Guidance System went live on the CPA Australia website. Many will know this initiative as the Career Pathway Framework.

The Career Guidance System integrates the Career Pathway Framework with an online self-assessment tool and CPA Australia's knowledge resources: initially professional development courses and online reference materials. It allows professionals and employers to understand their current level across a diverse set of competencies and identifies areas for development, together with suggested relevant CPA Australia knowledge resources to help professionals work towards their desired career goals.

Ultimately, the Career Guidance System plays a role in living our brand promise by providing our members with the opportunity to develop their career path and knowledge across the diversity of competencies and business roles required in today's dynamic global environment.

2010 will see further integration of the framework in how we think, design, develop, implement and communicate our Member Knowledge offer.



CPA Australia research grants 2009-11

CPA Australia was proud to launch the Global Research Perspectives Program in 2009.

The program is a premier research grants program which encourages and supports research worldwide that is relevant to our membership, the profession and the global business community.

Through the Global Research Perspectives Program we will consider any projects that have merit and potential to make a significant contribution to our membership, the profession and/or the business community.

CPA Australia's new research grants are open to researchers, institutions and consultancies worldwide. Cross-disciplinary applications and requests for joint funding with other organisations are welcome.

In accordance with a world-class program, proposals for research will go through a rigorous review process prior to commissioning and funding by the research advisory committee.

Membership profile

New member growth

CPA Australia recorded strong membership growth in 2009 with total membership reaching 128,995. The number of members based outside Australia increased to almost 32 per cent of total membership which is an increase of 9 per cent from the previous year. This international membership growth reflects the growing reputation internationally of the CPA qualification amongst employers and professionals looking to build a career on accounting skills.

Women balancing the numbers in accounting

The ratio of women to men in the accounting profession has moved towards parity over the last decade or so. CPA Australia continues to have one of the most gender balanced memberships of any professional accounting body in the world.

Employment sectors

Although CPAs are sought after across a wide variety of industries, the great majority of our members are employed in the corporate sector. While the overall membership has grown by 19% over the past 5 years, we have seen significant growth in all sectors, especially in the corporate sector where 45% growth has been achieved. Given the importance of this sector, CPA Australia has established strong and effective partnerships with the corporate sector in all markets where we have a presence. Working with key employer partners is a priority for the organisation and will ensure that the demand for CPAs continues to grow, providing members with exciting professional opportunities. We now have over 23,000 members in senior positions such as CEO, managing director, CFO, financial controller and general manager.

Upholding professional conduct

In 2009, 134 externally initiated viable complaints were investigated along with complaints carried over from previous years. Forty five members appeared before a disciplinary tribunal and the outcomes were reported on our website.

Member contribution to knowledge exchange through social media

Through participating in social media and networks we have reached more people than ever before, enabling members to contribute to and participate in knowledge exchange

with CPA Australia and share information with fellow members. Early in 2009, the organisation launched its Facebook group, which has more than 5,800 members and non-members. In mid-2009, CPA Australia also began connecting with members through Twitter, participating in conversations of interest to the profession. CPA Australia's YouTube channel, launched in May, provides easy ways for members to view and comment on videos covering a wide variety of topics such as member insights, mentoring and CPA Congress. Our General Manager Policy and Research, Paul Drum FCPA, has been blogging on a variety of issues with a strong focus on the global financial crisis, providing members with the latest thinking and analysis from our policy experts.

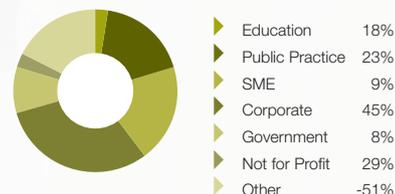
Members and professional development

CPA Congress delegates took their participation to a whole new level by engaging with each other and exchanging information via social media outlets including the CPA Congress blog and CPA Australia Twitter account. More than 5,200 blog post views and 663 tweets were received by members during Congress events across the country. Twitter and Twitpic were regularly used to communicate and encourage engagement between attendees at each event.

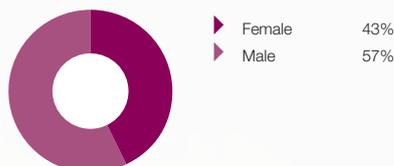
Member designation growth 2009



Membership growth by employment sector 2009



Gender Profile of Membership 2009



Information service 2009



Our people



CPA Australia's Executive Management Group:
(from left) Terry Dwyer, Mike Adlam, Adam Awty,
Lisa Nicholson, Alex Malley, Paul Wappett,
Tony Gleeson and Jeff Hughes.



At CPA Australia we are constantly striving to develop our people and their capabilities with one objective in mind – to assist members to achieve their professional goals.

Greater engagement, career development and the identification and nurturing of staff talent are essential to ensuring that the highest standard of member service is maintained. Motivating staff to constantly achieve higher performance levels, with clear and rewarding career paths in a stimulating work environment, is an ongoing commitment at CPA Australia.

Leadership

CPA Australia continued its focus on building leadership capability, developing leaders and nurturing leadership talent in 2009. About 60 staff participated in our leadership program which commenced in 2008 and was completed in 2009. The program developed leadership skills at all levels and there will be follow-up in 2010 to ensure the consolidation of learnings and to foster further development. We also ran a number of targeted, in-house leadership development programs aimed at the team leader, manager and general manager levels.

Measuring organisational effectiveness

In 2009 we continued our 360 degree feedback process with the results showing that all organisational leaders had improved on their 2008 performance.

Staff retention improved markedly. In 2008 we experienced a 26 per cent turnover while in 2009 this figure dropped to 21 per cent.

This is a strong indication of the effectiveness of our engagement policies.

In line with our aim for continual improvement in 2010 we are developing a new system of metrics by which to measure our overall organisational effectiveness and to report to the Board.

Culture

In order to ensure a successful move to the new Melbourne office at Freshwater Place in November we appointed a number of change coaches to facilitate a smooth transition. As part of the Fresh Start at Freshwater campaign these coaches worked closely with staff to ensure that the best of what had been achieved at the old office was transferred to our new environment. The move of over 350 staff was completed with minimal disruption to day-to-day operations. Importantly, this lack of disruption extended to the services we provide to members.

The way forward

In 2010 our focus will be on ensuring CPA Australia maintains the capability to deliver outstanding service to members.

This will be achieved in three key areas:

- + Selection of staff;
- + Provision of training to best equip and develop staff; and
- + Recognition of performance.

In keeping with this focus we enhanced our Performance Review and Development process to lift the standards we set, increase collective and individual expectations of performance and to increase the rigour with which we measure performance.

Workplace diversity and participation

We continue to meet the requirements of the Equal Opportunity for Women in the Workplace Act 1999. Women currently hold the majority of management positions at CPA Australia.

We continue to support the individual career progression of our staff as well as flexible work arrangements that include part-time, working from home and job sharing options.

Volunteer spirit

Staff from a number of offices took the opportunity to use their volunteering leave during 2009, contributing to nearly 50 activities in Australia as well as several others in overseas offices.

The program encourages team activities that support people who are disadvantaged, homeless, or elderly; the environment; and not for profit organisations.

Environmental opportunities proved the most popular, and several large teams contributed to the bush fire reconstruction effort in Victoria.

New intranet

We launched a new intranet in the first quarter of 2009. Built to industry best practice, the site provides a one-stop shop for communication and resources making access to day-to-day job information needs easier for staff.

The site has brought a new level of excellence to our internal information sharing, greatly enhancing communication internationally, driving greater consistency and improving the visibility of our strategic activities and progress.

Occupational Health and Safety

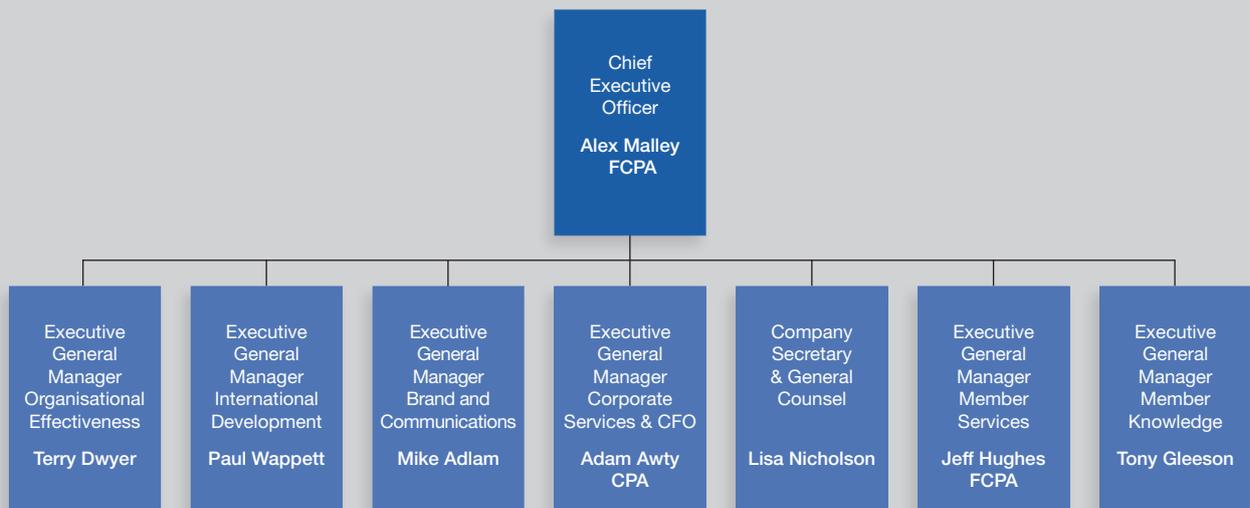
A number of policies and procedures are in place to deal with Occupational Health and Safety (OH&S) issues. All incidents are recorded, and where necessary Human Resources staff take appropriate action.

An OH&S committee provides a forum for joint consultation between management and employees and seeks to help develop safety policies and safe work practices, review accidents and accident statistics, advise of any incidents or work practices which employees think are unsafe, and make recommendations on improving the workplace to make it safer. The committee comprises representatives from all our major offices and meets on a quarterly basis.

In 2009, there were seven reported OH&S incidents that were classified as injuries but no occupational diseases or work related fatalities.



Executive Management Group



accessible

Corporate Social Responsibility

Working towards a sustainable future

CPA Australia was one of the first accounting bodies in the world to start measuring its carbon footprint and we continue our commitment to walk the talk on Corporate Social Responsibility. CSR is vitally important for the organisation's reputation and integrity – two key components which ultimately benefit our members.

CPA Australia's CSR strategy is based on three business drivers – environmental, social and governance (ESG) – and focuses on three areas – the profession, the organisation and the community. Our aims in regard to these areas are as follows:

- + the profession – to build the professional capacity of our members in the technical aspects of CSR
- + the organisation – to ensure CPA Australia adopts sustainable and responsible practices
- + the community – to support local communities, strategic not-for-profit partners and charities. Financial literacy and education are the main focus of our community pillar.

Our 2009 Sustainability Report gives a detailed picture of the various activities we have undertaken to deliver on these aims. The report – our second – will be available on our website and these pages provide summary information only.

Supporting the profession

Making submissions

In relation to sustainability, including climate change, CPA Australia made submissions on the following issues in 2009:

- + audit and auditor registration requirements of Australia's National Greenhouse and Energy Reporting Act 2006 and supporting regulations
- + verification of carbon footprint calculations in the proposed Australian Carbon Offset Standard
- + the exposure draft legislation of Australia's proposed Carbon Pollution Reduction Scheme

Providing education and training

CPA Australia has encouraged understanding and take-up of sustainability principles by the profession in a number of ways, for example:

- + embedding ESG principles in the CPA Program across six of the professional level education segments, thereby instilling the importance of considering ESG in all aspects of accounting and discouraging it from being seen as a stand alone topic
- + running a second conference in Melbourne and Sydney on the *Business Imperatives of Climate Change*
- + running more than 50 training sessions attended by nearly 4,750 people in Australia alone

Enhancing resources

Briefing papers added in 2009 to a suite of resources for members and the wider community included:

- + an overview to Australia's Carbon Pollution Reduction Scheme (CPRS)
- + China's policies and actions for addressing climate change
- + the economics of climate change mitigation

In March 2010, we will be launching an ESG portal to further enhance knowledge exchange for members and make the CPA Australia website a 'go to' destination for sustainability information.

Commissioning research

Research influences much of our policy on sustainability. We are currently supporting research by the University of Sydney on the role of *Accountants and Accounting in Improved Sustainability Management and Reporting*. Several other pieces of research will be finalised and published in the first half of 2010.

Forging relationships

To ensure we continue to improve our knowledge, we are establishing global partnerships. We collaborate extensively with the St James Ethics Centre (SJEC), and in 2009 became a member

of the United Nations Global Compact and of Accounting 4 Sustainability in the UK.

Our targeted research and our global links mean we are well equipped to support our members and the profession.

Running our business sustainably

Our carbon footprint

CPA Australia began seeking annual carbon measurements by the Carbon Reduction Institute (CRI) in 2006. We have committed to reducing our carbon footprint and to using that initial 2006 figure of 16,539.49 tonnes of CO₂ equivalent gases (tCO₂e) as our baseline.

Although there were some decreases in emissions from different emission sources, and our emissions are less than in 2008, CPA Australia's carbon emission footprint has increased to 23,645.63 tCO₂e due to a growth in membership, business expenditure and asset purchases, including the new fit outs required as a result of relocating our offices in Melbourne, Brisbane and Adelaide.

An increase in our greenhouse gas emissions is not unexpected considering our operations are volume-based. The more members we attract, the more services we provide and the more supplies we require. Full information about CPA Australia's carbon footprint from 2006–09 will be available in our 2009 Sustainability Report on our website.

The majority of CPA Australia's directly controllable emissions arise from our supply chain, with emissions resulting from expenditure (62%) and assets (19%) providing the bulk of them. This is not unusual for service or technical based industries, which typically do not have large electricity consumption or transportation relative to manufacturing or other industries.

Emissions by source for CPA Australia 2009



Breakdown of expenses contributing to CPA Australia's greenhouse gas emissions



Supporting the community

Our community focus is principally on financial literacy and education as this relates to CPA Australia's core business of enabling people, through education, to become professional accountants and have access to lifelong learning.

Financial literacy training

CPA Australia is midway through a three year partnership with Mission Australia to deliver a financial literacy program for disadvantaged youth across Australia that is run in conjunction with ANZ Bank. Mission Australia is one of Australia's major not for profit welfare organisations, with international affiliations in the Asia Pacific region. During 2009, 510 people benefited from CPA Australia's support for the financial literacy program.

Room to Read

President Richard Petty chose *Room to Read*, a not for profit organisation dedicated to promoting and enabling global education, as his President's charity. Prof Petty and CPA Australia share *Room to Read's* belief that education is crucial to breaking the cycle of poverty in the developing world. CPA Australia

mounted an intensive communications program to raise awareness of *Room to Read's* work, encouraging members and staff to contribute to *Room to Read* and in particular to its scholarship program to provide long term education to young girls in developing countries.

A video specially made for CPA Australia by *Room to Read's* founder, former Microsoft executive John Wood, was shown at each Congress and a local representative of *Room to Read* was in attendance to further promote the charity to members. CPA Australia presented a copy of John Wood's book, *Leaving Microsoft to Change the World*, to each of the 71 keynote and community session speakers.

Hong Kong China divisional councillor Charles Wong FCPA went on a site visit to a *Room to Read* pre-school in Vietnam and wrote about his experience in the December issue of *InTheBlack*. A DVD of his visit can be seen on the CPA Australia website and on YouTube.

Volunteering activities

In the wake of the devastating bushfires in Victoria in which 173 people died, members and staff joined the massive recovery effort required to get businesses and the community back on its feet. Approximately 130 members put their names on a register of those willing to provide professional advice free of charge to businesses and individuals in immediate need, while staff compiled a disaster recovery toolkit for business. For months afterwards, staff used their volunteering leave to form teams to help with the clear-up on affected properties, and pulled out kilometres of barbed wire fencing ruined by the fires.

CEO Alex Malley (left) and President Richard Petty (right) pictured with *Room to Read* founder John Wood.



Board of directors



Board of directors: From left to right: Richard Petty, Low Weng Keong, Steve Chapman, Kerry Ryan, Simon Bird, John Cahill, Mark Grey, Bruce Trebilcock, Christina Foo, Graeme Wade, Penny Egan, Paul Cooper.

Professor Richard Petty

BBus (Acc), BCom (Hons), MCom (Hons), PhD, CMA, MFP, FCPA – President

Richard Petty is professor in management at Macquarie Graduate School of Management and is also the managing director of an investment company. Richard has been involved in the establishment, management and sale of a range of businesses and currently serves on several boards. He started practice with Ernst & Young and has published extensively in both academic and professional journals.

Richard was appointed a Board director in 2006 and is on the Nomination and Remuneration Committee.

John Cahill

BBus, GDip Bus (Acc), GAICD, FCPA – Deputy President

John Cahill was CEO of Alinta Infrastructure Holdings and CFO of Alinta Ltd and has more than 25 years experience in the energy utility sector in treasury, finance, accounting and risk management. He is currently a non-executive director of Emeco Holdings Limited and Electricity Networks Corporation which trades as Western Power. John chairs the Audit and Risk Committees of both these organisations. John also represents the Australian accounting bodies on the Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants.

John has served on WA divisional council and is a past WA president. He was appointed a Board director in 2007 and is a member of the Finance, and Nomination and Remuneration Committees.

Low Weng Keong

FCPA (Aus), FCPA (Sing) – Deputy President

Low Weng Keong is a consultant and company director who retired in 2005 from Ernst & Young Singapore where he was a former country managing partner. He currently sits on the Boards of a number of listed companies.

Weng has served on the Singapore Divisional Council since 2003. He was appointed a Board director in 2005, a Vice-President of the Board in 2006 and a Deputy President in 2007. He is on the Finance Committee and is Chair of the Nomination and Remuneration Committee.

Simon Bird

BCompt (Hons), FAICD, FCPA

Simon Bird is the CEO of listed mining company King Island Scheelite Limited. Simon has been a CFO with the property group Stockland Limited, listed agricultural group GrainCorp Limited (GNC), and the Wizard Mortgage Corporation. His 29 year professional career across Australia, Africa and Europe has been built on his experience with PricewaterhouseCoopers. Simon was appointed a Board director in 2009 and he is on the Finance, and Policy Governance Committees.

Steve Chapman

BBus (Acc), FCPA

Steve Chapman is the deputy auditor-general of Australia. He has more than 20 years experience as a senior executive in the Australian public service in the areas of tax administration, small business policy and public sector auditing.

He is a past president of the ACT division and has been a divisional councillor since 2001. Steve was appointed a Board director in 2007 and is on the Finance Committee.



Paul Cooper

BBus (Acc), FCPA

Paul Cooper is a public practitioner and director of Cooper Reeves Accountants of Salisbury in Queensland. Paul previously served on the Queensland Divisional Council. He was appointed president of the Queensland division in 2004 and a Board director in 2006. He is chair of the Finance Committee.

Penny Egan

BBus (Acc), GAICD, FCPA

Penny Egan is the CFO of the Department of Health and Human Services in Tasmania. She was formerly the CFO of Forestry Tasmania and has more than 15 years experience in industry and commerce, principally within the forest industry.

Penny has served on the Tasmania divisional council since 2001. She became its president in 2004 and was appointed a Board director in 2005. She is Chair of the Audit and Risk Committee.

Christina Foo

BBus (Acc), CA (Msia), FCPA

Christina Foo is the managing director of Priority One, a consulting firm providing strategic business building solutions. A former director of Ernst & Young in Malaysia, she has over 24 years of experience in professional services and the private sector.

She is the immediate past President of the Malaysian division and is the Vice President of the Malaysian Institute of Accountants. Christina was appointed a Board director in 2007 and serves on the Finance, Nomination and Remuneration, and Policy Governance Committees.

Mark Grey

BA, CPM, Grad Dip ACG, FAMI, FAICD, FAIM

Mark Grey is the CEO of the Queensland Eye Hospital. He was formerly the CEO of Batey/Redcell in Hong Kong and the global business communication director for Singapore Airlines' branding and marketing account. Mark is also a Director of the Independent Ophthalmic Network Limited, and Forests and Wood Products Australia Limited.

Mark was appointed a Board director in 2007 and sits on the Policy Governance, Audit and Risk, and Nomination and Remuneration Committees.

Kerry Ryan

LLB, BA

Kerry Ryan is special counsel at international law firm Norton Rose and has over 15 years experience as a corporate and commercial lawyer in Australia and Asia.

She has particular expertise in international trade and investment and cross-border merger and acquisition transactions. She has assisted Australian companies expand into new markets and manage their offshore business dealings, and has acted as external general counsel for multinational companies in Australia and throughout Asia. Kerry is also a member of the International Legal Services Advisory Council, established under the attorney general's department, which promotes the interests of Australian legal and related services internationally.

Kerry was appointed a Board director in 2007 and is on the Audit and Risk, and Nomination and Remuneration Committees.

Bruce Trebilcock

MBA, FAICD, FCIS, FCPA

Bruce Trebilcock was a senior executive with 40 years of experience across a number of industries including manufacturing, food and agribusiness, banking and finance, defence contracting and electronics. He is a director of aircraft leasing company Trident Jet (Aust) Pty Ltd and Anglicare South Australia, and he is a Divisional Councillor of the Australian Institute of Company Directors in South Australia.

He served as a divisional councillor in South Australia for nine years before he was elected divisional president in 1996. Bruce was appointed a Board director in 2007. Bruce is on the Audit and Risk, and Policy Governance Committees.

Graeme Wade

BBus (Acc), FCPA

Graeme Wade has operated at partner level in public practice for more than 20 years. He holds a number of non executive directorships and has consulted widely across the private sector, including in mergers and acquisitions and the agribusiness sector. Graeme has also provided advice to the Australian government for many years.

Graeme has had a long involvement with CPA Australia. He has served on Victorian divisional council and is a past Victorian president. He was appointed a Board director in 2006, is chair of the Policy Governance Committee and is on the Audit and Risk Committee.

dynamic

Corporate Governance

Disclosure required by the ASX CGC recommendations

Functions reserved to the Board and those delegated to management	See Role of the Board on page 21
Skills, experience and expertise relevant to the position of Director	See Board of Directors on pages 18 and 19
Names of Directors considered by the Board to constitute independent Directors and CPA Australia's relevant thresholds	See Principle 2 on 21
Procedure for independent professional advice	See Board of Directors on 22
Directors' terms of office	See Board of Directors on page 21
Nomination and Remuneration Committee members and meeting attendance	See Meetings of Directors on page 26
Composition of Board, chair and role of chair and CEO	See Board of Directors on pages 18 and 19 and Chief Executive Officer on page 21
Code of Conduct for Directors and Executives	See Code of Conduct on page 22
Audit and Risk Committee members and their qualifications	See Board of Directors on pages 18 and 19
Audit and Risk Committee meetings and attendance	See Meetings of Directors on page 26
Financial statements sign-off and structure of Audit and Risk Committee	See Audit and Risk Committee on page 22 and Board of Directors on pages 26
External auditor	See Principle 4 on page 22
Member communications strategy	See Principle 6 on page 22
Risk oversight committee	See Audit and Risk Committee on page 22
Risk management and internal controls	See Principle 7 on page 22
Performance evaluation	See Board and Executive Performance Reviews on page 21
Company's remuneration policies	See Principle 8 on page 22
Retirement benefits for Non-Executive Directors	See Principle 8 on page 22

Corporate Governance Statement 2009

CPA Australia Ltd (CPA Australia) is a leading advocate of sound corporate governance. It is committed to best practice and is a member of the Australian Stock Exchange Corporate Governance Council (ASXCGC) that developed the Corporate Governance Principles and Recommendations (CGPR).

As an unlisted company limited by guarantee, CPA Australia is not required to respond to the CGPR. However, CPA Australia uses the CGPR as a guide to best practice, and has implemented these principles as far as they are relevant to it as a member organisation. CPA Australia reports against the CGPR in this corporate governance statement as part of its commitment to preserving stakeholder confidence.

Principle 1: Lay solid foundations for management and oversight

Board of Directors

The Board of Directors (Board) is the principal governing body of CPA Australia and is appointed by a Representative Council. Details of the council are set out later in this document.

The Board is responsible for the overall governance of CPA Australia. The Board has adopted a formal charter detailing its functions and responsibilities, which is reviewed annually. Matters specifically reserved to the Board are set out in its charter (see website).

While the Board has overall control and management of CPA Australia, it has delegated a range of its powers, duties and responsibilities to its committees, management, divisions and the disciplinary tribunals. The Board must review each delegation at least annually.

Each Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. Time is often scheduled for the Board to meet without management.

Management of CPA Australia's operations and the implementation of corporate strategy and policy initiatives are the responsibility of the Chief Executive Officer (CEO) and management.

In 2008, the Board approved a 3-year corporate plan (Corporate Plan) for 2009-2011 established by management. The Board approves an annual performance contract setting the priorities, direction and performance targets for CPA Australia within the parameters of the corporate plan. Quarterly reports on progress against the annual performance contract are given to the Board.

CEO

The CEO is appointed by the Board. He or she is responsible for the management of CPA Australia in accordance with approved strategy, policies, his or her performance contract and delegated authority framework. He or she is responsible for ensuring that the Board is provided with the relevant strategic

options, policy and financial issues on which to deliberate, and with the necessary administrative support to enable the Board to work effectively.

The CEO attends Board and Board committee meetings; however, he or she is not a Director and is not entitled to vote.

Senior executives including the CEO, the Company Secretary and Chief Financial Officer (CFO) have formal job descriptions.

Performance management

All management including the senior executives of CPA Australia (Executive Management Group) are subject to annual performance planning and reviews. The performance of each executive is assessed by the CEO, who is their immediate supervisor. They are assessed against achievement of their job specifications and goals, contribution towards specific business and strategic objectives, and adherence to CPA Australia's REACH (Respect, Empowerment, Accountability, Cooperation and Honesty) values.

Principle 2: Structure the Board to add value

The Board consists of 12 independent non-executive directors (as defined by the CGPR), one member Director from each of the 10 divisions and 2 external Directors (who are neither members nor employees).

A diagram of the governance structure in place at year end is on our website. http://www.cpaaustralia.com.au/cps/rde/xbcr/cpa-site/Governance_structure_2010.pdf

The Board assesses annually the independence of each Director. Directors must disclose to CPA Australia, any matter which may affect their independence as soon as they become aware of it. All Board members are requested to disclose related party transactions on an annual basis and a summary of related party transactions for each Director is disclosed in the annual report (see notes to the financial statements on page 46).

The Chair is an independent Director, and is not the CEO.

Directors are selected on the basis of their skills, experience and other relevant capabilities with due regard to the mix of skill recommended by the Board and to proper succession planning. Directors' skills, expertise and their terms of office, are set out on pages 18 and 19.

The Board recommends that, where possible, a minimum of 25% of Directors on the Board should be female, which is reflected in the current composition.

Representative Council

Directors are appointed by the Representative Council. The council is comprised of members selected by the divisions and advisory committees and other members representing various groups, which are selected by the Nomination and Remuneration Committee. The council's charter is available on the website.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Representative Council in selecting appropriate candidates for appointment to the Board. It reviews candidates and makes recommendations to the Representative Council. The council must have due regard to, but is not bound by, the recommendations of the Nomination and Remuneration Committee. It also advises the Board and the Representative Council on succession plans for the Board. It recommends to the Board appointments for all membership committees.

The Nomination and Remuneration Committee consists entirely of Directors. Prior to 1 April 2009, the Chair of the Committee was the immediate Past President and was not a Director. Since 1 April, the Chair is a Director.

The composition of the committee and meeting attendance is set out in the attendance register in the financial statements (see page 26). The same register sets out Directors' attendances at Board.

A copy of the committee's charter is on the website.

Board performance

The Board must annually review its performance and that of each Director. The Nomination and Remuneration Committee recommends to the Board the skills and competencies required on the Board and assesses the extent to which those skills are represented on the Board. At the Board's request, it facilitates the evaluation of the Board and the performance of individual Directors. A further evaluation will be undertaken in 2010, prior to the appointment of new Directors.

Induction and education: New Directors receive information outlining their duties and responsibilities. New Directors attend a formal induction meeting with the Executive Management Group prior to commencing.

Access to information: Senior executives supply the Board with information to allow it to make decisions on an informed basis, and regularly attend meetings.

The Board and the Company Secretary

All Directors have access to the Company Secretary who is appointed by the Board. The Company Secretary is accountable to the Board, through the Chair, on governance matters.

Information required by Principle 2

Directors are entitled to serve a maximum of 2 terms consisting of 3 years each. The Board is moving to a rotational model of one-third of the Board, so during a transitional period, some Directors will have longer terms to effect the transition. Full information on this transition is located in the Constitution.

Directors are entitled to obtain reimbursement of the reasonable costs of any independent advice obtained in respect of their office. If a

Corporate Governance

Director wishes to obtain independent external advice, then he or she must notify the Board before seeking that advice and obtain the prior approval of the Chair, whose approval shall not be unreasonably withheld.

Following a governance review, a new Board was formed in 2007 and all Directors were appointed for new terms as from that time. As at 31 December 2009, all Directors have been in office approximately 28 months, with the exception of Simon Bird who was appointed in April 2009.

Board Committees

The respective compositions and details of meeting attendance of the committees are set out in the Directors' Report on page 26. Minutes of committee meetings are provided to the Board at its next meeting.

The Board currently has four Board committees: Nomination and Remuneration, Audit and Risk, Finance and Policy Governance.

Each committee has a charter describing its role and composition (see website). The charters are reviewed regularly to ensure that the role and responsibilities of each committee are consistent with CPA Australia's strategic and operational objectives. The Audit and Risk, and Finance Committees may co-opt members who, whilst they are not Directors, bring particular experience to the committees.

The Policy Governance Committee oversees the processes and protocols for approving and reporting relevant policy and research. Among other things, it contributes to policy areas to be included in CPA Australia's policy work program.

The Board committees are each scheduled to meet four times per year.

Principle 3: Promote ethical and responsible decision making

Directors, members and employees of CPA Australia are required to act in accordance with the highest standards of honesty and integrity (see codes of conduct for Directors, members and employees on the website).

The respective codes of conduct, as approved by the Board, are given to all new Directors, volunteer members and employees, which among other things set out expected standards of behaviour.

CPA Australia is a member organisation limited by guarantee and does not have securities (shares etc.) so does not report on share trading policies.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Committee

CPA Australia has established an Audit and Risk Committee to verify and safeguard the integrity of the Company's financial and non-financial reporting. The committee consists of five independent Directors. It is chaired by an independent Director who is not the chair of the Board.

Specifically, it assists the Board to discharge its responsibilities for external reporting, external and internal audit and internal control and risk management. A majority of members of the committee have financial qualifications and one member has legal qualifications.

The Audit and Risk Committee has a formal charter (see website).

External Auditors

Deloitte has been CPA Australia's external auditor since 2005. The performance of the external auditor is reviewed annually by the Board with advice from the Audit and Risk Committee.

An analysis of fees paid to the external auditor, including a breakdown of any non-audit fees paid or received by the auditor, is provided in note 18 (see page 47) to the financial reports. The Audit and Risk Committee has developed principles for the supply of non-audit services which have been endorsed by the Board. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Committee. The Audit and Risk Committee undertakes a full review of the terms of engagement of the external auditor and the rotation of external audit engagement partners, before deciding to re-appoint the existing audit firm or seek tenders on the open market.

Finance Committee

The Finance Committee consists of six Directors and assists the Board to discharge its responsibility to manage the business planning, budgeting processes and general financial management of CPA Australia. The Finance Committee has a formal charter (refer website).

Principle 5: Make timely and balanced disclosure

As CPA Australia is not a listed company; it is not bound by the requirement for continuous disclosure.

Principle 6: Respect the rights of shareholders (members)

CPA Australia provides its members with timely access to information about its activities and changes in legislation that may affect the profession. Its three principal communication channels with members are its monthly publication, 'INTHEBLACK', its weekly e-newsletter 'CPA Update', and its website.

Principle 7: Recognise and manage risk

CPA Australia has a risk management framework, risk policy and risk management program. The principal objectives of the risk management program are to protect the reputation and financial standing of CPA Australia and its membership and to optimise service to members.

The Board is provided with regular reports on risk through the Audit and Risk Committee. In addition, the Board discusses strategic and major operational risks as part of its regular meeting agenda.

The internal audit function has established and implemented a system for identifying, assessing, monitoring and managing material risks throughout CPA Australia. The strategic risk profile, including identification and treatment of risks and mitigating controls, is regularly reviewed and approved by the Board. The internal auditor and Executive Management Group continuously monitor the risk profile and report any risks to the Board via the Audit and Risk Committee.

Principle 8: Remunerate fairly and responsibly

Directors

The Constitution of CPA Australia provides that the Board may approve payments to the President, Deputy Presidents and the external Directors based on percentages of the Auditor-General's salary. From 1 April 2010, the Board may approve payments to all other member Directors. Directors do not receive retirement benefits.

Management

The Nomination and Remuneration Committee approves the salary bands for management and increases, based on external advice from qualified specialists.

The Nomination and Remuneration Committee considers overall management remuneration. Under the terms of CPA Australia's annual performance contract, attainment of demanding performance targets can result in a performance bonus being approved by the Board and paid to staff who reach individual performance targets. The Finance Committee approves the amount of bonus pool available under the annual performance contract.

The Board has the responsibility to approve the terms of the CEO's appointment.

The CEO has personal performance indicators and is eligible for a bonus payment subject to the approval of the Board after its evaluation of the performance of the CEO. This evaluation involves an assessment of a range of factors including the overall performance of CPA Australia and the achievement of predetermined goals.

Councillors

Australia

Australian Capital Territory

Michael Burton CPA – President
Steve Chapman FCPA
Sean Ferrari CPA
Greg Field CPA
James Hibberson CPA
Geoff Hine FCPA
Jennifer Irvin CPA
Gerry Lillicrap FCPA
Melissa McClusky CPA
Karen Sheppard CPA

New South Wales

Dr Margaret McKerchar FCPA – President
Andrew Crawford FCPA – Deputy President
Simon Chhoeu CPA – Vice President
Eric Davis FCPA – Vice President
Gail Fraser FCPA – Vice President
John Corrigan FCPA
Margaret Drever FCPA
John Hayes FCPA
John Horder AM FCPA
Jim Mitchell FCPA
John Petty FCPA
Cheryl Price FCPA
Rhonda Wheatley FCPA

Northern Territory

Steve Balch CPA – President
Randle Walker FCPA – Deputy President
Helen Crafter CPA
Jacqui Dowling CPA
David Gomez FCPA
Andrew Kirkman CPA
Mike Lane FCPA
Kate Laurence FCPA
Nathan Morsillo CPA
Stuart Reid CPA
Shane Smith CPA

Queensland

Mike Gilmour FCPA – President
Garry Waugh FCPA – Deputy President
Ian Davies FCPA – Vice President
Pamela Pointon FCPA – Vice President
Daniel Abrahams FCPA
Andrew Albury FCPA
Linda Barbagallo FCPA
Peter Best FCPA
Louise Cox FCPA
Stuart Dunlop FCPA
Don Graham FCPA
Neil Jackson FCPA
Gerry Maguire FCPA
Paul Monaghan FCPA
Loretta Seamer FCPA

South Australia

Joe Princi FCPA – President
Rob Florence FCPA – Deputy President
Mike Richards CPA – Vice President
Julie Sinclair CPA – Vice President
Natasha Donohue CPA
Peter Flaherty FCPA
Barry Hanna FCPA
Janet Kalivas CPA
David Lawlor CPA
Hugh McPharlin FCPA
Tracy Randell CPA
Steven Woolhouse CPA

Tasmania

Ric De Santi FCPA – President
Karen Frost FCPA – Deputy President
Stephen Freeman CPA – Vice President
David Strong FCPA – Vice President
Jason Browne CPA
Robert Eastoe FCPA
Penny Egan FCPA
Professor Gary O'Donovan CPA
Howie Oh FCPA
Fleur Reid CPA
Fiona Stagg CPA
Paul Viney FCPA

Western Australia

Geoff Woods CPA – President
Rosetta Petrucci CPA – Deputy President
Lawrie Tremaine CPA – Vice President
Lisa Bayakly CPA
Claire Bickford CPA
Anthea Bird CPA
John Cahill FCPA
Terrence Cheong CPA
Phil Hancock FCPA
Joanne Stampalia CPA
Dale Wilcox FCPA
Shane Yensch CPA

Victoria

Mike Sewell FCPA – President
Michael Wilson FCPA – Deputy President
Joanne Rumble CPA – Vice President
Jon Aloni FCPA
Chris Braithwaite CPA
Peter Calder FCPA
Lindsay Doig FCPA
Craig Edwards CPA
John Higgins FCPA
Louise Kloot FCPA
Richard Langley CPA
Paul McInerney FCPA
Jenny Peachey FCPA
Bruce Porter FCPA
Julie Radonich FCPA
Graeme Wade FCPA

Worldwide

China - Beijing

Rebecca Mak FCPA – President
Tony Ho FCPA – Vice President
Vincent Lo FCPA – Vice President
Lu Wei CPA – Vice President
Henry Chan FCPA
Lily Chen FCPA
Jack Huang FCPA
Joseph Lee FCPA
Winifred Leung FCPA
Michael Liu CPA
Wilson Liu FCPA
Kevin Ng FCPA
Zhao Guillin CPA
Zhu Haiwu FCPA

China - Hong Kong

Loretta Shuen FCPA – President
Chris Lau FCPA – Deputy President
Theresa Chan FCPA – Vice President
Lawrence Fok FCPA – Vice President
Peter Lee FCPA – Vice President
Richard Ho FCPA
Derek Lai FCPA
Doug Oxley FCPA
Stephen Po FCPA
Vivian Sun FCPA
Charles Wong FCPA

China - Shanghai

Lawrence Lau FCPA – President
Steve Hui FCPA – Vice President
John Hung FCPA – Vice President
Alison Wong CPA – Vice President
Cao Jing CPA
Telly Chan FCPA
Vivien Lai CPA
Stephen Lee FCPA
Theo Leung CPA
Jeffrey Soo CPA
Dick Tang CPA
Danny Tong FCPA

Europe

Andrew Genrich CPA – President
Anna D'Alessandro CPA – Deputy President
David Graydon CPA – Vice President
Adrian Bell CPA
Lindsay Birrell FCPA
Peter Crouch FCPA
Toni Dawes CPA
Adrian Fernando CPA
Michelle Kelly CPA
Catherine Riney FCPA
Marcus Watzlaff CPA
Patrick Yeung FCPA

Malaysia

Lam Kee Soon FCPA – President
Andrew Heng CPA – Deputy President
Alex Ooi Thiam Poh FCPA – Deputy President
Chong Aik Lee CPA
Suhaimi Badrul Jamil FCPA
Lee Chong Leng Shaun, CPA
Dr Edward Lim FCPA
Ravi Navaratnam FCPA
Prof Dr Normah Omar CPA
Josephine Phan Su Han FCPA
Gabriel Teo Chun CPA

New Zealand

David Searle FCPA – President
Craig Anderson CPA
Brian Ashwell CPA
Israel Cooper CPA
Mark Fleming CPA
Brad Gatehouse CPA
Peter Jollands CPA
Ewe Leong Lim CPA
Evan Maehl CPA
Rod Marvin CPA
Dr Carolyn Stringer CPA

Singapore

Chaly Mah Chee Kheong FCPA – President
Lisa Liew Geok Bee CPA – Deputy President
Irving Low Chee Whay CPA – Deputy President
Low Weng Keong FCPA
Bill Bowman FCPA
Chew Tong Gunn CPA
Albert Ho Shing Tung FCPA
Lee Wee Jean CPA
Steven Lim Jun Xiong CPA
Teo Chee Khiang FCPA
Themim Suwardy CPA
Deborah Ong FCPA

Committees

Committees, Life Members, Honours

Board Committees

Audit and Risk Committee

Penny Egan FCPA (Chair)
Mark Grey
Kerry Ryan
Bruce Trebilcock FCPA
Graeme Wade FCPA

Finance Committee

Paul Cooper FCPA (Chair)
Simon Bird FCPA
John Cahill FCPA
Steve Chapman FCPA
Christina Foo FCPA
Low Weng Keong FCPA

Nomination & Remuneration Committee

Low Weng Keong FCPA (Chair)
John Cahill FCPA
Christina Foo FCPA
Mark Grey
Prof Richard Petty FCPA
Kerry Ryan

Policy Governance Committee

Graeme Wade FCPA (Chair)
Simon Bird FCPA
Christina Foo FCPA
Mark Grey
Bruce Trebilcock FCPA

Representative Council

Prof Richard Petty FCPA (Chair)
Steve Balch CPA
Peter Calder FCPA
Dr Tyrone Carlin CPA
Andrew Crawford FCPA
Ivor David FCPA
Karen Frost FCPA
Geoff Hine FCPA
Neil Jackson FCPA
Chaly Mah FCPA
Michael Martin FCPA
Paul McInerney FCPA
Jim Mitchell FCPA
Diana Pang CPA
Josephine Phan FCPA
Pamela Pointon FCPA
Glenn Poole FCPA
Tracy Randall FCPA
Vivian Sun FCPA
Lawrie Tremaine CPA

Compliance Committee

Disciplinary Chair Panel

Prof Carrick Martin FCPA (Chair)
Denis Cortese FCPA (Deputy Chair)
Scott McDonald FCPA (Deputy Chair)
Frank O'Loughlin (Deputy Chair)

Advisory Committees

Insurance Advisory Committee

Robyn Erskine FCPA (Chair)
Malcolm Borgeaud FCPA
Robert Eastoe FCPA
Terry Grace FCPA
Anthony Martin FCPA
James Pollifrone FCPA

Quality Review Advisory Committee

Anthony Darvall AM (Chair)
Andrew Albury FCPA
Andrew Hoholt CPA
Elaine Melhuish FCPA
Ernest Wohlsein FCPA

Public Practice Advisory Committee

Pamela Pointon FCPA (Chair)
Nik Hasyudeen FCPA
Peter Knight FCPA
Jude Lau CPA
Sarah McGrath FCPA
Ian Raspin CPA
Malcolm Stewart CPA
Arthur Tateossian FCPA

Professional Qualifications Advisory Committee

Prof Colin Ferguson FCPA (Chair)
Peter Barker FCPA
Prof Suresh Cuganesan CPA
Hari Iyer FCPA
Neil Jackson FCPA
Prof Kim Langfield-Smith FCPA
Deborah Ong FCPA
Dr Kim Len Yap FCPA

International Advisory Committee

Dr Tyrone Carlin CPA (Chair)
David King FCPA
Chaly Mah FCPA

Corporate Sector Advisory Committee

Andrew Crawford FCPA (Chair)
Stephen Doessel FCPA
Steven Lim FCPA
Vladimir Malcik FCPA
Michelle O'Brien CPA
Anthony Tieppo FCPA
Chin Aik Wong FCPA
Patrick Yeung FCPA

Public Sector Advisory Committee

Glenn Poole FCPA (Chair)
Craig Jeffery FCPA
Mohamed Fowzi Haji Razi FCPA
Peter Mendo FCPA
Carol Pagnon FCPA
Stephen Po FCPA
Joanne Stampalia CPA
Teo Chee Khiang FCPA
Tim Youngberry FCPA

SME Sector Advisory Committee

Anthony Matis CPA (Chair)
Jason Browne CPA
Stuart Derbyshire CPA
John Horder FCPA
Gopala (Mike) Krishnan FCPA
David Lawlor CPA
Chin Siang (Barry) Lee CPA
Julianna O'Bryan FCPA
Andrew Rogers FCPA

Asia Pacific Financial Reporting Advisory Group (APFRAG)

Prof Terry Heazlewood FCPA (Chair)
Richard Ho FCPA (Deputy Chair)
Josephine Edwards FCPA
Thomas Egan FCPA
Wilson Liu FCPA
Irving Low FCPA
Ronald Paice FCPA
Dr Nordin Nohd Zain FCPA

Centres of Excellence Chairs

Finance & Treasury

Stephen Cheesewright CPA

Financial Reporting & Governance

Jeffrey Luckins CPA

Information Technology & Management

Micheal Axelsen FCPA

Business Management

Ian Brown CPA and
Perry Abbott CPA (Co Chairs)

Tax

Prof Brian Andrew CPA

Financial Advisory Services

Martin Kerrigan CPA

Other Boards and Committees

CPA Australia shares representation on the following committees with other parties.

Joint Accounting Bodies

Prof Richard Petty FCPA
John Cahill FCPA
Low Weng Keong FCPA
Alex Malley FCPA

ASEAN Federation of Accountants

Prof Richard Petty FCPA

International Federation of Accountants (IFAC) Board

Joycelyn Morton FCPA

IFAC Professional Accountants in Business Committee (PAIB)

John Cahill FCPA

IFAC International Accounting Education Standards Board (IAESB)

Prof Kim Langfield-Smith FCPA

IFAC Ethics Standards Board for Accountants (IESBA)

Alice McCleary

IFAC International Public Sector Accounting Standards Board (IPSASB)

Peter Batten FCPA

IFAC Compliance Advisory Panel

Jim Dickson FCPA

IFAC Small-Medium Practices Board (SMP)

Stuart Black

Joint Confederation of Asian & Pacific Accountants (CAPA)

Representative

Brian Blood FCPA

Life Members

Joseph Abraham AM FCPA
Peter Agars AM CBE FCPA
Elizabeth Alexander AM FCPA
Patrick Barrett AO FCPA
Prof Allan Barton FCPA
David Baulch FCPA
Brian Blood FCPA
David Boymal FCPA
Dr Peter Cheung FCPA
Denis Cortese FCPA
Ron Cotton AM FCPA
Mark Coughlin FCPA
Laurie Crockett FCPA
Clyde Dickens AM FCPA
Ken Eastwood AM FCPA
Prof Scott Henderson FCPA
Robert Jeffrey FCPA
Jim Kropp FCPA
Harry Levy FCPA
Dr Ken Levy RFD FCPA
Loh Hoon Sun FCPA
Graeme McGregor AO FCPA
Paul Meiklejohn FCPA
Prof John Miller AO FCPA
Joycelyn Morton FCPA
Geoff Orr FCPA
Graham Paton AM FCPA
Desmond Pearson FCPA
Patrick Ponting FCPA
Trevor Russell AM FCPA
Len Spencer FCPA
Brian Waldron OAM FCPA
Bernard Wright FCPA

2009 Honours

Officer of the Order of Australia (AO)
David Crawford AO FCPA

Member of the Order of Australia (AM)

Timothy Daly AM CPA
Dr Geoffrey Leonard AM FCPA
Prof Warren Pengilly AM FCPA
James Varghese AM FCPA
Allan Zammit AM FCPA

Medal of the Order of Australia (OAM)

Rev. Cyril Dann OAM ASA
Ronald Pilkington OAM ASA
Dr Warren Rogers OAM FCPA
Richard Stewart OAM FCPA
Paul Wheelton OAM ASA

Financial Report 2009



accountability

Report of the board of directors

Directors

The Directors of CPA Australia Ltd (CPA Australia) submit the annual financial report of the company for the financial year ended 31 December 2009. In order to comply with the Corporations Act and the Australian Accounting Standards, the Directors present the report as follows. The Directors in office at the end of the financial year are set out on pages 18 and 19 of the Annual Report, together with their qualifications, experience and special responsibilities. Details of meeting attendance are set out below and their remuneration is included in Note 17 on page 46.

Company secretary

The Company Secretary and General Counsel, Lisa Nicholson, BSc, LLB, FCIS, FAICD is responsible for company secretarial matters and the legal unit.

Principal activities

The principal activities of the company and its controlled entities during the financial year remain unchanged and were as an association representing financial, accounting and business advisory professionals: providing high standards of professional entry and continuing education, stimulating informed debate on issues within the areas of professional competence, setting and maintaining the highest professional and technical standards and promoting the role of its members for the benefit of the community.

Consolidated results

The consolidated surplus before income tax for the year was \$3,548,000 (2008: \$1,806,000). The consolidated surplus after tax for the year was \$4,077,000 (2008: \$2,267,000).

Review of operations

A review of the operations of the economic entity during the financial year and the results of those operations is contained in the discussion and analysis of the financial results – see pages 29 to 31.

Corporate governance

The Board of CPA Australia comprises twelve Directors: one independent, non-executive, member director from each of the ten Divisions and two external directors who are also non-members. During 2009, it met eight times, primarily in Melbourne with one meeting held in Hong Kong in conjunction with the Asian Regional Conference. As at the end of 2009, there are four Board committees of Directors. Further information on the governance of CPA Australia is included in the Corporate Governance Statement on pages 20-22.

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity, other than that referred to in the financial statements or notes thereto.

Directors' meetings

The table below sets out the number of Board and Board committee meetings held and the number of meetings attended by each Director.

Subsequent events

No matter or circumstance has arisen since the end of the previous financial year to the date of this report that has, or may, significantly affect the activities of the consolidated entity, the results of those activities or the state of affairs of the consolidated entity in the ensuing or any subsequent financial year.

Future developments

Likely developments in the activities of the consolidated entity are noted elsewhere in the Annual Report, with CPA Australia working successfully towards the achievement of its objectives and maintaining a breakeven or surplus position in 2010.

Rounding of amounts

CPA Australia is a company of the kind referred to in ASIC Class order 98/100 dated 10 July 1998. In accordance with the class order amounts in the Directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Indemnification of officers and auditors

During the year CPA Australia paid professional indemnity and directors' and officers' liability insurance for all of its directors and officers. The nature of the insurance contract providing this cover does not allow CPA Australia to disclose either the extent of cover or the premium paid.

Auditor independence

The auditor's independence declaration is included on page 28 of the Annual Report.

Signed in accordance with a resolution of the Directors made pursuant to s298(2) of the Corporations Act 2001 on behalf of the directors.



PROFESSOR RICHARD PETTY FCPA
Director



PAUL COOPER FCPA
Director

19 February 2010

2009 Attendance register - Board of Directors and Board committees

Directors	Board of Directors		Nomination & Remuneration		Audit & Risk		Finance		Policy Governance	
	Number of meetings held	8	6		5		7		5	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
S. Bird (1) (6)	6	6					4	4	4	4
J. Cahill	8	7	6	6			7	7		
S. Chapman	8	7					7	6		
P. Cooper	8	8					7	7		
P. Egan	8	7			5	5				
C. Foo (4)	8	8	4	4			7	7	5	4
M. Grey (4) (5)	8	8	4	4	5	3			5	5
W. K. Low	8	8	6	6			7	6		
A. Malley (2)	2	2	2	1						
R. Petty (7)	8	8	6	4	5	2				
K. Ryan	8	8	6	6	5	5				
B. Trebilcock	8	8			5	5			5	5
G. Wade	8	6			5	4			5	1
Non-Directors										
P. Meiklejohn (3)			2	2						

(1) Simon Bird's term as a Director commenced on 1 April 2009

(2) Alex Malley's term as a Director of the Board concluded on 31 March 2009. During his term as Chair he attended the Nomination & Remuneration Committee for remuneration items only

(3) As Immediate Past President, Paul Meiklejohn was Chair of the Nomination & Remuneration Committee until 31 March 2009

(4) Christina Foo and Mark Grey's terms on the Nomination & Remuneration Committee commenced on 24 April 2009

(5) Mark Grey commenced on the Audit & Risk Committee on 24 April 2009

(6) Simon Bird commenced on the Finance Committee on 24 April 2009

(7) Richard Petty's term on the Audit & Risk Committee concluded on 31 March 2009

The Directors
CPA Australia Limited
Level 20, 28 Freshwater Place
Southbank VIC 3006

19 February 2010

Dear Directors

CPA Australia Limited – Independence Declaration

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of CPA Australia Limited.

As lead audit partner for the audit of the financial statements of CPA Australia Limited for the financial year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,



DELOITTE TOUCHE TOHMATSU



Peter A. Caldwell
Partner
Chartered Accountants
Melbourne

Overview of financial results

for the year ended 31 December 2009

		2009 \$000's	2008 \$000's
Business segments			
Membership and Member Value	Revenue	61,547	57,558
	Cost	(30,314)	(29,487)
	Result	31,233	28,071
Training and Development	Revenue	20,198	22,826
	Cost	(17,446)	(18,556)
	Result	2,752	4,270
Education	Revenue	47,745	39,949
	Cost	(24,121)	(24,314)
	Result	23,624	15,635
Brand, Ethics and the Profession	Revenue	1,971	1,257
	Cost	(17,012)	(15,544)
	Result	(15,041)	(14,287)
Business Development	Revenue	370	585
	Cost	(3,269)	(2,762)
	Result	(2,899)	(2,177)
Corporate Services	Revenue	3,557	4,500
	Cost	(35,295)	(29,455)
	Result	(31,738)	(24,955)
Corporate Governance and Committees	Revenue	99	131
	Cost	(4,482)	(4,882)
	Result	(4,383)	(4,751)
Total CPA Australia	Revenue	135,487	126,806
	Cost	(131,939)	(125,000)
	Tax (expense)/credit	529	461
	Result	4,077	2,267

CPA Australia operates in seven reportable business segments which are Membership and Member Value; Training and Development; Education; Brand, Ethics and the Profession; Business Development; Corporate Services; and Corporate Governance and Committees, as shown above.

Membership and Member Value's core activities are delivery of the core membership offer including administration and assessment of members' admissions and advancements; the Library services; INTHEBLACK and CPA Update, membership recruitment and retention and CPA Passport

Training and Development's core activity is the development and delivery of professional development products that meet the needs of members and potential members.

Education's major activities are the development and examination of CPA Program and Public Practice Program, along with the development and delivery of the mentor program. This area also includes activities associated with the assessment of overseas qualifications for recognition by the Department of Immigration and Citizenship.

Brand, Ethics and the Profession's core activities include managing and developing the brand, promotion, policy and research, advocacy and government relations, support for the profession locally (AASB, AuASB and APESB) and internationally (IFAC, AFA, CAPA etc), external affairs, professional standards and quality assurance.

Business Development provides support to the organisation in the areas of international business development and new business initiatives.

Corporate Services provides internal support to the organisation that includes management, finance, legal, procurement, property management, technology, organisational development, human resources and planning.

Corporate Governance and Committees represents the activities associated with the Board, Board Committees, the Representative Council, Board Secretariat, Internal Audit, Divisional Councils, Investigation & Discipline and Advisory Committees.

Discussion and analysis

Discussion and analysis of the financial results 2009

The year in review

The challenging economic conditions of 2009, while difficult, have not had a significant effect on the financial stability of CPA Australia. CPA Australia's core revenue streams of membership and CPA Program have not only remained strong, but grew in 2009 when compared to 2008. These core revenue streams have underpinned the 2009 result but some market driven revenue streams were adversely impacted by the weaker economic conditions.

CPA Australia invested in a number of key areas in line with the four key strategic themes of the 2009-2011 Corporate Plan:

- Build the CPA Australia brand and market for growth** – the organisation refined and significantly improved the consistency and quality of our brand with greater focus of our marketing in key growth markets outside Australia. The business development function has been improved with development of a recruitment focus on employers and universities across all key markets.
- Provide a CPA Program and entry pathways that are globally competitive** – During 2009 we reconfigured the CPA Program, changing the structure and content of the professional examinations to ensure that they properly reflect the positioning of CPAs as possessing technical proficiency with a strong focus on strategy, leadership and international business. With broader access this will enable more people to commence CPA Program and work towards becoming a CPA, while upholding our degree or postgraduate requirements to becoming a member. CPA Program now has two tiers (foundation and professional levels).
- Provide members with ready access to knowledge that enhances their career** – We have developed a structured career pathways framework and launched a supporting online career guidance system to help guide professional development of all members from any point in their career. During 2009 we offered webinars for the first time, with over 4,000 members participating in a total of 85 webinars. We have created two online member communities, *Sustainability and Carbon Reporting*, and *Return to Work*. We have undertaken significant work to upgrade our website, which is due to be launched early in 2010. We continued to enhance our use of social media tools during Congress with live streaming of sessions, a congress blog, congress Second Life and used Twitter (the micro-blogger site) for the first time.

- Develop organisation capability** – In 2009 we began our Member First project, a multi year program of updating all our core systems that will result in improved member service through greater business intelligence capability, enhance cost and financial management. We continued to invest in our people by introducing leadership development programs. There were significant property upgrades to member centres and offices in Melbourne, Brisbane, London, and Darwin during the year and we will open the new Adelaide member centre in early 2010.

Income Statement

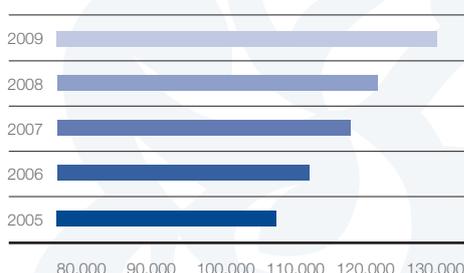
Record growth in CPA Program and membership was the underlying driver behind achievement of an operating surplus before tax of \$3.5m (2008: \$1.8m).

Revenue

The strong operating performance in 2009 was underpinned by revenue growth of \$8.7m or 6.8%. The increase in revenue can be largely attributed to strong growth in volume of CPA Program segment sales and new member admissions. This was partially offset by lower training and development, interest and advertising revenue, which were impacted by the weaker economic conditions during 2009.

The organisation ended the year with **128,995** members following record new admissions of 11,903 (up 11.2% on 2008).

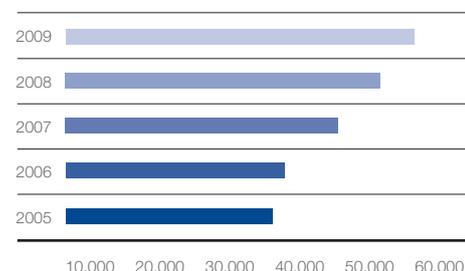
Total members



Revenue from CPA Australia's training and development offer was \$2.6m or 11.5% lower than 2008 with fewer events held (1,548 compared with 1,948 in 2008). The reduction in professional development revenue is attributable to the weaker global economy and was not unexpected, as training and development is one of the first areas of discretionary expenditure to be reduced in many organisations. The results for the last quarter of 2009 showed signs of improvement in line with improvements in the economy, particularly in Australia.

CPA Program enrolments continued to exceed the levels achieved in the prior year. CPA Program segment sales for 2009 were 57,612, up 5,916 on 2008, which resulted in an increase of \$7.8m or 19.5% in education revenue when compared to 2008.

CPA Program units sales



Revenue from the Brand, Ethics and the Profession segment was \$0.7m higher than 2008, which is directly attributable to an increase in the number of Quality Assurance reviews undertaken when compared to 2008.

Other areas of revenue were below the levels achieved in 2008. The weaker economic conditions of 2009 when compared to 2008 significantly impacted the rates of interest achieved on our investments. In addition, revenue received from AusAid for the International Partnership Program was lower than in 2008.

Discussion and analysis of the financial results 2009 continued

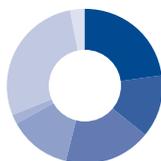
Expenditure

Expenditure before tax was \$7m or 5.6% higher than 2008, largely due to expenditure related to the redevelopment of the CPA Program which is more competitive in the global market place and the first phase of the Member First project which will update all of our core business systems as outlined above.

In addition, operational costs in the Corporate Services area were higher than 2008, due to higher occupancy costs across a number of properties, with some properties subject to rent reviews. As part of our continued review of our property portfolio, decisions were taken to relocate our Melbourne and Brisbane offices. Higher costs resulted due to the timing overlap of the new and old leases for Melbourne and the requirement for more space. The cost per square metre in Melbourne is now lower at the new premises. Depreciation costs were also higher in 2009 as a result of the first full year of depreciation for the offices relocated / renovated in 2008 and the part year of depreciation for new offices in Melbourne and Brisbane. Staff costs across the business increased with the average number of full time equivalent employees rising by nine during the year.

Costs in the Brand, Ethics and the Profession area were higher than in 2008 as a result of an increase in advertising expenditure to support the revised CPA Program and an increase in our focus in key growth markets outside Australia. Higher costs also resulted from the increase in the number of Quality Assurance reviews performed during 2009.

Expenditure by business segment 2009



▶ Membership and member value	23%
▶ Training and development	13%
▶ Education	18%
▶ Brand, ethics and the profession	13%
▶ Business development	2%
▶ Corporate services	28%
▶ Corporate Governance and committees	3%

Taxation

In assessing its income tax liability, CPA Australia applies the principles of mutuality to revenues and expenses. Revenue in the form of member receipts represent mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes. All other receipts and payments of CPA Australia are classified for income tax purposes in accordance with income tax legislation.

CPA Australia's taxable profit for 2009 is \$8K. This is attributable to the impact of the global economic downturn which resulted in reduced rates of return on investments, coupled with lower non-member revenue derived from our training and development area. The result also includes a the capital gains tax payable on the sale of the Adelaide office. It is expected that CPA Australia will continue to be in a tax payable position in 2010 with taxable revenues streams such as investment earnings increase as the global economy strengthens.

Foreign exchange

Subscription fees where a foreign currency option is available are adjusted on a monthly basis to reflect exchange rate movements. Foreign currency cash holdings are also limited to the requirements for the funding of local operations to minimise CPA Australia's exposure to fluctuations in exchange rates. The strengthening of the Australian dollar against the currencies where substantial cash is held contributed to a foreign exchange loss of \$1.3m for the full year.

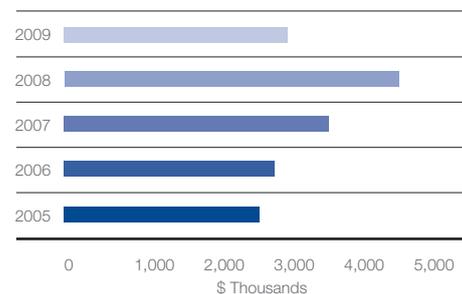
Cash flow

CPA Australia's cash flow and liquidity remained strong in 2009. Although cash and cash equivalents decreased by \$19.5m, net cash flows from operating activities continued to be positive. The net decrease in cash and cash equivalents was due to significant asset purchases and an increase in investments greater than one year in duration. In real terms, the operating cash balance is \$22.8m (when subscriptions and other income received in advance are excluded from cash and equivalents), plus other financial assets.

Investments

The returns generated by CPA Australia's investments were lower in 2009, an outcome directly attributable to the downturn in the global economy which in turn led the Reserve Bank of Australia to drop the cash rate, ultimately effecting the interest rates on offer. During 2009, the Board of CPA Australia reviewed and amended its investment policy. The purpose of the revised policy is to 'protect and grow the capital base within a defined risk tolerance over the medium to long term and to generate an annual return that is in excess of what could be achieved through a risk adverse strategy'. The new policy allows CPA Australia to invest directly or via managed funds in both Australian and International equities and fixed interest investments including corporate debt and cash.

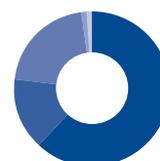
Interest revenue



Balance Sheet

CPA Australia's balance sheet continues to strengthen and provides the organisation with flexibility in uncertain economic times with total assets increasing by \$8.3m, the majority of which is attributable to the fit out of the Melbourne and Brisbane offices and the purchase of other technology equipment continuing surpluses.

Assets 2009



▶ Cash and cash equivalents	62%
▶ Trade debtors and other receivables	15%
▶ Property, plant and equipment	21%
▶ Asset held for sale	1%
▶ Other	1%

Cash and cash equivalents have decreased by \$19.5m which is due to an increase in investments with greater than a year's duration and is now represented by the increase in other financial assets of \$13.7m. The remaining decrease is attributable to significant asset purchases during 2009 as outlined above.

Trade and other receivables are also up by \$7m which is mostly due to a leasehold incentive payment not yet received. All outstanding revenue is expected to be received early in 2010.

Other current assets are in line with 2009.

Non-current financial assets are higher than 2008 by \$13.7m as outlined above.

Property, plant and equipment has increased by \$6.5m when compared to 2008 which is the direct result of the relocation of the Melbourne and Brisbane offices during 2009.

Other non-current assets are in line with 2008.

Liabilities 2009



▶ Non-current provisions	2%
▶ Current provisions	8%
▶ Creditors, borrowings and accruals	18%
▶ Subscriptions and fees in advance	59%
▶ Other	13%

Trade and other payables have ended 2009 in line with 2008.

Short and long term provisions ended the year lower than 2008. This is the result of the make good provision for the previous Melbourne office being utilised during 2009 and a reduction in our long service leave provision.

Other current liabilities were lower by \$1.3m, which is attributable to a change in the timeline for semester 1 2010 CPA Program enrolments.

Other non-current liabilities were \$6.1m higher at the end of 2009 when compared to 2008. This is directly attributable to new lease incentives which are required to be amortised over the term of the lease.

The year ahead

In 2010 CPA Australia is forecasting a continued surplus before tax, foreign exchange translation and sale of property, which will drive an increase in the net asset position by year end. It is expected that both the membership and CPA Program revenue streams will continue to grow and that market driven revenue (i.e. interest, advertising and sponsorship) will improve as the economy continues to stabilise.

CPA Australia's continued strong financial position provides the organisation with the ability to continue its investment in line with the 2009-11 corporate plan. Investment in 2010 to be made in support of the plan's four key strategic themes are as follows:

Build the CPA Australia brand and market for growth

– The key focus areas under this strategic theme include the development of a new integrated marketing communications campaign with a greater focus on overseas markets. In 2010 we will also see the launch of the new website and the brand campaign.

Provide a CPA Program and entry pathways that are globally competitive

– After revising CPA Program in 2009 we will complete the development and delivery of the full eight unit foundations program which will incorporate computer based assessment. We will also look to provide candidates with access to supplementary learning products via alliances for both the Foundations Level and Professional Level of the CPA Program in semester 2, 2011 to further support candidates.

Provide members with ready access to knowledge that enhances their career

– during 2009 a number of programs were introduced such as webinars and virtual communities. In 2010 we will see further investment in this area, expanding our knowledge exchange products and our social media platform, including the development in online member communities.

Develop organisational capability

– the Member First project is set to redesign / replace our core business systems. This is a significant area of investment for CPA Australia in 2010, resulting in a number of business benefits that will improve our data capture and analytical capability around members, customers and employers, making us more efficient. In 2010 we will relocate the Adelaide office and make improvements to other offices in line with the Board's property strategy.

Statement of comprehensive income

for the year ended 31 December 2009

	Notes	CONSOLIDATED		PARENT	
		2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
Revenue	3(a)	132,523	122,456	132,220	122,138
Other Income	3(b)	2,964	4,350	2,964	4,350
Service expenses		(61,389)	(63,229)	(61,389)	(63,132)
Marketing, promotion and publication expenses		(22,362)	(20,153)	(22,331)	(20,153)
Occupancy expenses		(14,014)	(10,872)	(13,781)	(10,659)
Administration expenses		(29,521)	(27,734)	(29,521)	(27,749)
Finance Costs		(3)	111	(3)	111
Net Foreign Exchange (loss)/gain		(1,262)	556	(1,262)	556
Other expenses		(3,388)	(3,679)	(3,371)	(3,671)
Surplus before income tax expense	4(a)	3,548	1,806	3,526	1,791
Tax (expense)/benefit	5	529	461	546	455
Surplus for the year		4,077	2,267	4,072	2,246
Other Comprehensive Income					
Exchange differences on translating foreign operations		(88)	49	(67)	49
Net value gain on available-for-sale asset	4(b)	27	-	27	-
Actuarial gain/(loss) on defined benefit plan	20	416	(1,497)	416	(1,497)
Other comprehensive income for the year, net of tax		355	(1,448)	376	(1,448)
Total comprehensive income for the year		4,432	819	4,448	798

CPA AUSTRALIA 2009 FINANCIAL STATEMENTS

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 36 to 53.

Statement of financial position

as at 31 December 2009

	Notes	CONSOLIDATED		PARENT	
		2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
Current Assets					
Cash and cash equivalents	6	36,906	56,376	36,739	56,176
Trade and other receivables	7	10,594	3,555	10,606	3,622
Other	9	2,062	2,119	2,062	2,119
		49,562	62,050	49,407	61,917
Non-current assets classified as held for sale	8	899	899	899	899
Total Current Assets		50,461	62,949	50,306	62,816
Non-Current Assets					
Deferred tax assets	5(c)	948	395	952	399
Other financial assets	10	14,727	990	14,727	990
Property, plant and equipment	11	18,010	11,464	18,010	11,464
Other	9	355	372	355	372
Total Non-Current Assets		34,040	13,221	34,044	13,225
Total assets		84,501	76,170	84,350	76,041
Current Liabilities					
Trade and other payables	12	8,580	8,659	8,535	8,646
Provisions	13	3,245	3,786	3,240	3,780
Other	14	28,819	30,106	28,819	30,106
Total Current Liabilities		40,644	42,551	40,594	42,532
Non-Current Liabilities					
Provisions	13	919	1,252	898	1,238
Other	14	6,159	20	6,159	20
Total Non-Current Liabilities		7,078	1,272	7,057	1,258
Total liabilities		47,722	43,823	47,651	43,790
Net assets		36,779	32,347	36,699	32,251
Members' Funds					
Reserves		(12)	49	9	49
Retained Earnings		36,791	32,298	36,690	32,202
Total members' funds		36,779	32,347	36,699	32,251

Statement of changes in equity

for the year ended 31 December 2009

CONSOLIDATED				
	Investments Revaluation Reserve \$000's	Foreign Currency Translation Reserve \$000's	Retained Earnings \$000's	Total \$000's
Balance at 1 January 2008	-	-	31,528	31,528
Total Comprehensive Income for the Year	-	49	770	819
Balance at 1 January 2009	-	49	32,298	32,347
Total Comprehensive Income for the Year	27	(88)	4,493	4,432
Balance at 31 December 2009	27	(39)	36,791	36,779
PARENT				
	Investments Revaluation Reserve \$000's	Foreign Currency Translation Reserve \$000's	Retained Earnings \$000's	Total \$000's
Balance at 1 January 2008	-	-	31,453	31,453
Total Comprehensive Income for the Year	-	49	749	798
Balance at 1 January 2009	-	49	32,202	32,251
Total Comprehensive Income for the Year	27	(67)	4,488	4,448
Balance at 31 December 2009	27	(18)	36,690	36,699

Statement of cash flows

for the year ended 31 December 2009

	Notes	CONSOLIDATED		PARENT	
		2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
Cash Flows from Operating Activities					
Receipts from operations		129,961	128,325	129,725	128,008
Payments to suppliers and employees		(128,395)	(122,189)	(128,126)	(121,965)
Net cash inflows from operating activities	22	1,566	6,136	1,599	6,043
Cash Flows from Investing Activities					
Payment for property, plant and equipment		(10,891)	(2,666)	(10,891)	(2,666)
Net payments for bank bills greater than 1 year		(12,510)	(90)	(12,510)	(90)
Proceeds from sale of property, plant and equipment		-	4	-	4
Payment for investment securities		(1,200)	-	(1,200)	-
Interest received		3,565	4,607	3,565	4,607
Net cash (outflows)/inflows from investing activities		(21,036)	1,855	(21,036)	1,855
Cash Flows from Financing Activities					
Net cash flow from financing activities		-	-	-	-
Net increase/(decrease) in cash and cash equivalents held					
		(19,470)	7,991	(19,437)	7,898
Cash and cash equivalents at the beginning of the financial year		56,376	48,385	56,176	48,278
Cash and cash equivalents at the end of the financial year	6	36,906	56,376	36,739	56,176

1. Adoption of new and revised accounting standards

CPA Australia adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the current annual reporting period. For the reporting period to 31 December 2009, CPA Australia adopted the revised accounting standard AASB 101 'Presentation of Financial Statements'. There has been no other adoption of new or revised accounting standards issued which would impact the reported financial position, financial performance and cash flows of the company or accompanying notes.

2. Summary of significant accounting policies

a) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical 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 accounting policies have been consistently applied, unless otherwise stated.

The report is presented in Australian Dollars and all values are rounded to the nearest thousand dollars (\$000's) unless otherwise stated under the option available under ASIC Class Order 98/100.

b) Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with the Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that financial statements and notes of the company and consolidated entity comply with International Financial Reporting Standards ('IFRS').

CPA Australia is limited by guarantee and domiciled in Australia.

The financial statements were authorised by the Board of Directors on the 19th day of February 2010.

c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation.

d) Income Tax

In assessing its income tax liability, CPA Australia applies the principles of mutuality to its revenues and expenses. Revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes. All other receipts and payments of CPA Australia are classified for income tax purposes in accordance with income tax legislation.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be used.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on purchases of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

f) Foreign Currency

All foreign currency transactions are shown in Australian dollars.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined.

Exchange differences are recognised in surplus and loss in the period they occur.

Foreign currency operations

The assets and liabilities of CPA Australia's overseas operations are translated at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rate for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve and recognised in the profit and loss.

g) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to CPA Australia and that it can be reliably measured.

Member Fees and Subscriptions

The subscription year runs 1 January to 31 December. Subscriptions are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current financial year are recognised as revenue. Fees and subscription payments that relate to future periods are shown in the Statement of Financial Position under the heading of Current Liabilities – Other.

Interest

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Income from Investments

Revenue is recognised when the income is earned.

Sale of Non Current Assets

The net gain/(loss) of non-current asset sales are included as revenue/(expenses) at the date control passes to the buyer, usually when an unconditional contract of sale is signed.

The net gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Notes

for the year ended 31 December 2009

Assets which satisfy the criteria in AASB 5 as assets held for sale are transferred to current assets and separately disclosed as non-current assets held for sale on the face of the balance sheet. These assets are measured at the lower of carrying amount and fair value less costs to sell. These assets cease to be depreciated from the date which they satisfy the held for sale criteria.

Grants

Revenue is recognised when control of the contribution or right to receive the contribution is received.

h) Receivables

The terms of trade are 30 days from invoice date. Receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

i) Inventories

Inventories held for sale

Items held for sale in the ordinary course of business will be recognised as inventory. Valuation is at the lower of cost and net realisable value. Cost of inventory includes all cost directly related to the acquisition and production of inventory items. Cost is based on the first in, first out principle. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Inventories held for Distribution

Brochures, collateral, course materials and other like items published for distribution to members free of charge are held as inventory held for distribution as the lower of cost and net replacement cost. Carrying amount is expensed in the period of distribution.

j) Property, Plant and Equipment

All classes of assets are stated at cost less accumulated depreciation and any impairment.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets (excluding Freehold Land) as follows:

Buildings	50 Years
Strata title	50 Years
Property, plant and equipment	3 – 13 Years
Information Technology Assets (classified as Property, plant and equipment in the Balance Sheet)	3 Years
Library books	5 Years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

As a not for profit entity whose future economic benefits of an asset (or class of asset) are not primarily dependant on the assets ability to generate cash flows and it would be replaced if the CPA Australia was deprived of it, value in use is the depreciated replacement cost.

Land and Buildings

Valuations are obtained biennially and were obtained in 2008. All valuations received were in excess of their recorded value at balance date. They reflect independent assessments of the open market value of land and buildings based on existing use.

Lease Restoration

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to restoration provisions in property leases taken up by CPA Australia where there exists an obligation to restore the property to its original condition. These costs are included in the value of the leasehold improvements with a corresponding provision for the 'restoration' taken up.

k) Impairment of other tangible assets

At each reporting date, CPA Australia reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, CPA Australia estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

l) Leased assets

Leases, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised. Assets and liabilities are recorded at the present values of the minimum lease payments, including any guaranteed residual values at date of inception.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes

for the year ended 31 December 2009

m) Investments and Financial assets

Controlled Entities

Investments in controlled entities carried at lower of cost and net recoverable amount.

Held to Maturity Investments

Investments such as bonds and term deposits that are intended to be held to maturity are subsequently measured at amortised cost using the effective interest method. The effective interest rate method is a method of calculating amortised cost of a financial asset and of allocating interest income over the relevant period.

Financial Instruments

Financial Instruments such as non-derivative financial assets held for trading are recorded at fair value through profit or loss.

n) Payables

Trade creditors represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Derivative Financial Instruments

It is not current CPA Australia policy to enter into foreign exchange contracts to hedge foreign currency commitments.

p) Employee Benefits

Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Discount rate used reflects national government securities that most closely match the terms of maturity of the related liabilities.

Annual Leave

The provision for annual leave represents the amount which CPA Australia has a present obligation to pay resulting from employees' services provided up to balance date. The provision has been calculated at the amounts expected to be paid when the liability is settled and includes on-costs.

Long Service Leave

The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

In determining the liability for employee benefits, account has been taken of future increases in wage and salary rates and CPA Australia's experience with staff departures. Related on-costs also have been included in the liability.

Defined Benefit Plan

A small percentage of staff participates in the CPA Australia Defined Benefit Plan.

Mercer Benefit Services has provided actuarial calculations of the current benefit of the defined benefit liability.

Actuarial gains and losses are recognised in full, directly in retained earnings, in the period in which they occur and presented in the statement of recognised income and expense.

Past services cost is recognised immediately to the extent that the benefits are already vested and otherwise amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of plan assets. Any asset resulting from this calculation is limited to the past service cost, plus the present value of available refunds and reductions in future contributions to the plan. The plan is no longer open to new members as of 31 December 1999.

Defined Contribution Superannuation

Contributions to defined contribution superannuation plans are expensed when paid.

q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, at call deposits and bank bills maturing within less than one year.

r) Comparative Amounts

Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

s) Website Costs

The primary focus of the CPA Australia website is as an advertising, branding and information tool for the organisation and its members. The website could not be considered an internally generated intangible asset. All development, maintenance and operational expenditure have been treated as expenses incurred in the period.

t) Critical Judgements in applying the entity's accounting policies

The following are the critical judgements that management has made in the process of applying CPA Australia's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Employee Entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries;
- future on-cost rates; and
- experience of employee departures and period of service.

Notes

for the year ended 31 December 2009

	CONSOLIDATED		PARENT	
	2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
3. Revenue				
(a) Revenue from operating activities				
Member subscriptions	54,664	49,272	54,664	49,272
Education and CPA Program	47,965	40,312	47,965	40,312
Professional development	20,304	23,351	20,003	23,070
Other services	4,107	2,901	4,105	2,899
Marketing, promotion and publications	5,469	6,608	5,469	6,573
Property	14	12	14	12
	132,523	122,456	132,220	122,138
(b) Other Revenue				
Interest revenue from other parties	2,964	4,350	2,964	4,350
	2,964	4,350	2,964	4,350
Total revenue	135,487	126,806	135,184	126,488
4. Surplus and members' funds				
(a) Surplus before income tax expense				
Surplus before income tax expense has been arrived at after charging/(crediting) the following:				
Finance Costs:				
Interest charged on restoration provisions	3	(111)	3	(111)
Depreciation:				
Depreciation	3,989	2,588	3,989	2,588
Net (gain)/loss				
Net loss on sales of property, plant and equipment	356	100	356	100
Net foreign exchange loss/(gain)	1,262	(556)	1,262	(556)
Employee benefits:				
Defined contribution	3,092	2,768	3,025	2,713
Defined Benefit Plan	136	101	136	101
Salaries and other benefits	38,654	37,542	38,093	37,097
(b) Investments revaluation reserve				
Balance at beginning of financial year	-	-	-	-
Valuation gain recognised	27	-	27	-
Balance at end of financial year	27	-	27	-

Notes

for the year ended 31 December 2009

	CONSOLIDATED		PARENT	
	2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
5. Taxation				
Income tax recognised in Income Statement				
(a) Tax expense/(income) comprises:				
Deferred tax expense/(income) relating to the origination and reversal of temporary differences (refer (c) below)	(553)	(473)	(553)	(461)
Tax expense overseas entities	24	12	7	6
Total tax expense/(income)	(529)	(461)	(546)	(455)
(b) Reconciliation of prima facie income tax				
The assessable income of CPA Australia for income tax purposes comprises only certain income deemed to be derived from non member activities. Conversely, allowable deductions for income tax are limited to certain expenses and statutory deductions. The prima facie income tax expense on pre-tax accounting surplus from operations reconciles to the income tax expense in the financial statements as follows:				
Surplus from operations	3,548	1,818	3,526	1,797
Income tax expense calculated at 30%	1,064	545	1,058	539
Surplus attributable to mutual activities and foreign branch expenditure - exempt income	(1,593)	(676)	(1,604)	(664)
Expenses that are not deductible in determining taxable surplus	-	7	-	7
Deferred tax recognised for the first time in prior year	-	-	-	-
Previously unrecognised tax losses now brought to account	-	(337)	-	(337)
	(529)	(461)	(546)	(455)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with that of the previous reporting period.

(c) Deferred tax assets/(liabilities) arise from the following:

	CONSOLIDATED			PARENT		
	Opening balance \$000's	Charged to income \$000's	Closing Balance \$000's	Opening balance \$000's	Charged to income \$000's	Closing Balance \$000's
2009						
Assets						
Property, plant and equipment	(15)	81	66	(15)	81	66
Employee benefits	14	97	111	14	97	111
Provisions	160	198	358	160	198	358
Tax losses	607	(3)	604	611	(3)	608
	766	373	1,139	770	373	1,143
Liabilities						
Accrued income	(371)	180	(191)	(371)	180	(191)
	395	553	948	399	553	952

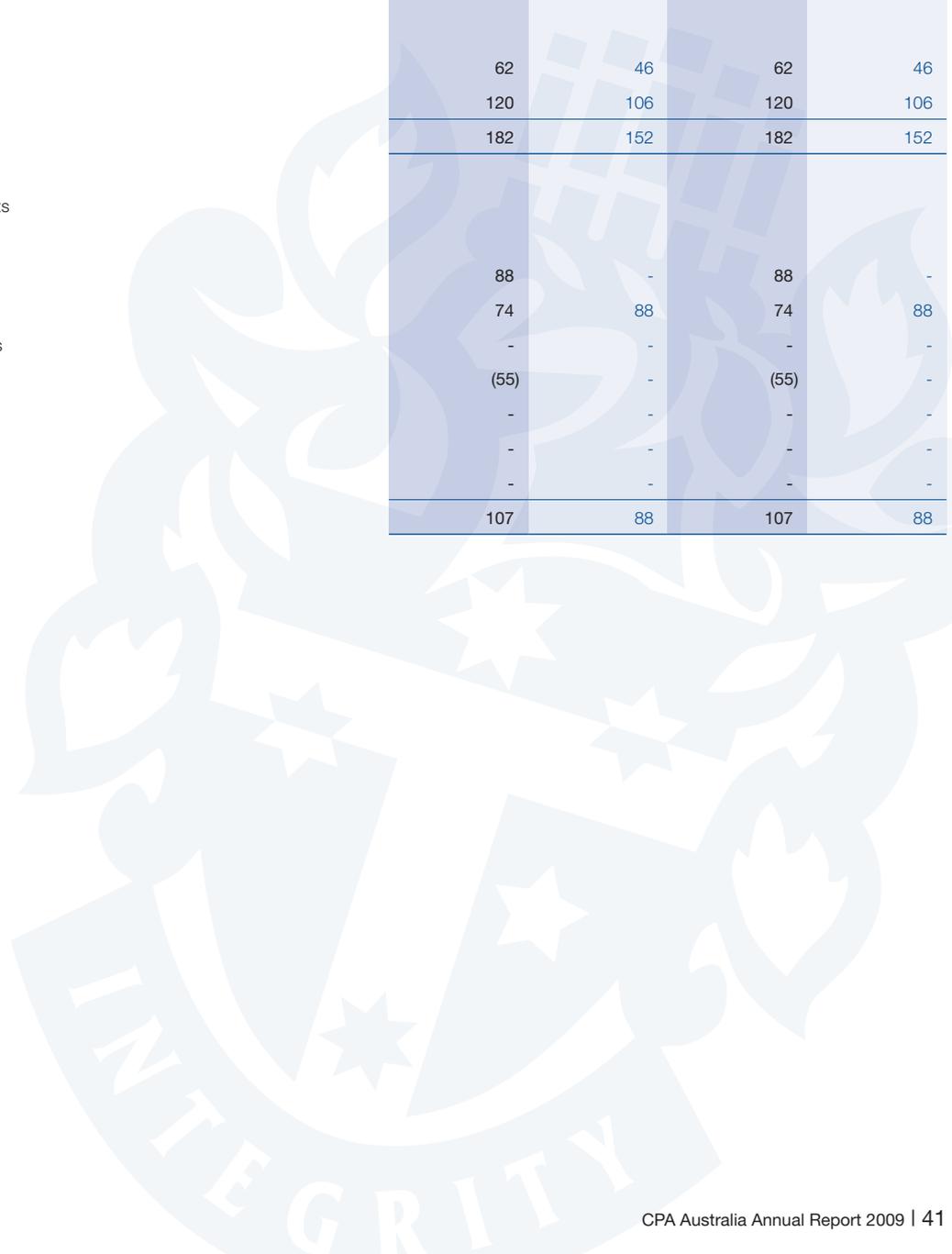
Notes

for the year ended 31 December 2009

CONSOLIDATED

PARENT

	2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
6. Cash and cash equivalents				
Current				
Cash on hand, at bank and short term bank bills (1 year or less)	35,396	32,856	35,229	32,656
Bank bills	1,510	23,520	1,510	23,520
	36,906	56,376	36,739	56,176
7. Trade and other receivables				
Current				
Trade receivables	9,520	2,062	9,519	2,062
Less allowance for doubtful debts	(107)	(88)	(107)	(88)
Intercompany	-	-	13	67
	9,413	1,974	9,425	2,041
Other receivables	1,181	1,581	1,181	1,581
	10,594	3,555	10,606	3,622
Ageing of past due but not impaired				
60 - 90 days	62	46	62	46
90 - 120 days	120	106	120	106
Total	182	152	182	152
Movement in the allowance for doubtful debts				
Balance at the beginning of the year	88	-	88	-
Allowances taken up as doubtful	74	88	74	88
Impairment losses recognised on receivables	-	-	-	-
Amounts written off as uncollectible	(55)	-	(55)	-
Amounts recovered during the year	-	-	-	-
Impairment losses reversed	-	-	-	-
Unwind discount	-	-	-	-
Balance at the end of the year	107	88	107	88



Notes

for the year ended 31 December 2009

	CONSOLIDATED		PARENT	
	2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
8. Non-current assets classified as held for sale				
Land held for sale	400	400	400	400
Building held for sale	499	499	499	499
	899	899	899	899
<p>During 2009 CPA Australia entered into a contract of sale to dispose of 280 Pulteney Street, Adelaide. The property comprises land and a two level building. The settlement date for the sale of the premises is in March 2010, when CPA Australia will move to a leasehold arrangement at a new premises.</p>				
9. Other				
Current				
Defined Benefit Plan	395	-	395	-
Prepayments	1,667	2,119	1,667	2,119
	2,062	2,119	2,062	2,119
Non current				
Loan	350	350	350	350
Security deposit and other	5	22	5	22
	355	372	355	372
10. Other financial assets				
Bank Bills greater than 1 year to maturity	13,500	990	13,500	990
Available for sale investments carried at fair value - Redeemable notes	1,227	-	1,227	-
	14,727	990	14,727	990

Bank bills must be held in an authorized deposit taking institutions with a minimum S&P credit rating of BBB+ (or Moody's / Fitch equivalent).

CPA Australia holds two listed securities in the ASX100 returning the Bank Bill Swap Rate plus 3.10% and 3.40% per annum.

Refer to Note 21 for further information.

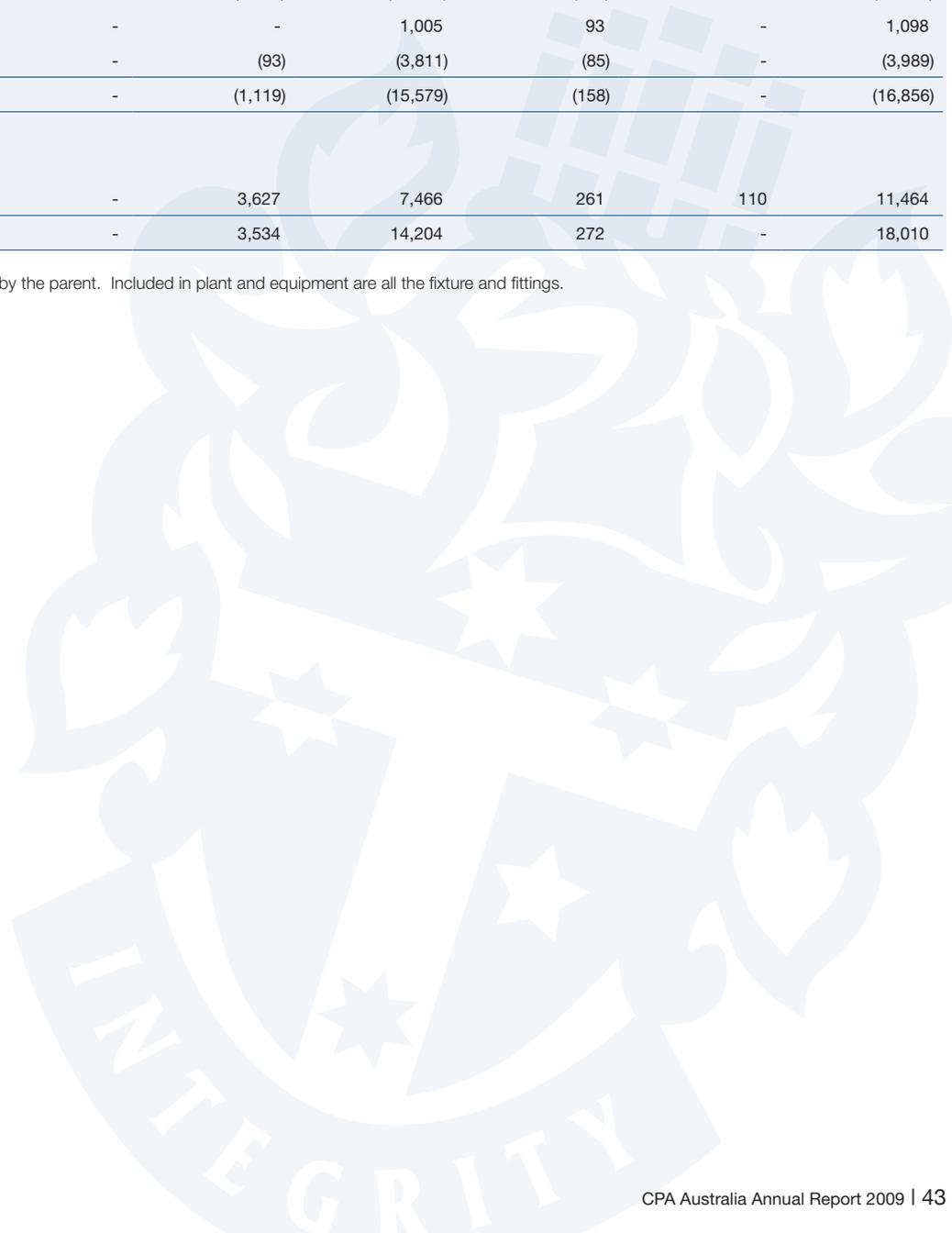
Notes

for the year ended 31 December 2009

CONSOLIDATED AND PARENT

	Freehold land at cost \$000's	Building at cost \$000's	Plant and equipment at cost \$000's	Library books at cost \$000's	Capital WIP \$000's	Total \$000's
11. Property, plant and equipment						
Gross carrying amount						
Balance at 1 January 2008	400	5,303	18,166	414	662	24,945
Additions	-	-	3,127	91	(552)	2,666
Disposals	(400)	(650)	(1,054)	(78)	-	(2,182)
Balance at 1 January 2009	-	4,653	20,239	427	110	25,429
Additions	-	-	10,905	96	(110)	10,891
Disposals	-	-	(1,361)	(93)	-	(1,454)
Balance at 31 December 2009	-	4,653	29,783	430	-	34,866
Accumulated depreciation, amortisation and impairment						
Balance at 1 January 2008	-	(1,071)	(11,327)	(161)	-	(12,559)
Disposals	-	150	954	78	-	1,182
Depreciation	-	(105)	(2,400)	(83)	-	(2,588)
Balance at 1 January 2009	-	(1,026)	(12,773)	(166)	-	(13,965)
Disposals	-	-	1,005	93	-	1,098
Depreciation	-	(93)	(3,811)	(85)	-	(3,989)
Balance at 31 December 2009	-	(1,119)	(15,579)	(158)	-	(16,856)
Net book value						
At 31 December 2008	-	3,627	7,466	261	110	11,464
At 31 December 2009	-	3,534	14,204	272	-	18,010

All items of property, plant and equipment are held by the parent. Included in plant and equipment are all the fixture and fittings.



Notes

for the year ended 31 December 2009

	CONSOLIDATED		PARENT	
	2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
12. Trade and other payables				
Current				
Trade creditors and accruals	8,580	8,659	8,535	8,646
	8,580	8,659	8,535	8,646
CPA Australia Terms & Conditions of Purchase state payment terms of 30 days from date of invoice. CPA Australia has financial risk management policies in place to ensure that all payables are paid within the credit terms.				
13. Provisions				
Current				
Employee benefits	2,942	2,619	2,937	2,613
Restoration of leased properties	303	1,167	303	1,167
	3,245	3,786	3,240	3,780
Non Current				
Employee benefits	622	746	601	733
Restoration of leased properties	297	506	297	505
	919	1,252	898	1,238
	4,164	5,038	4,138	5,018
Employee numbers				
Average number of full time equivalent employees (FTEs) during the financial year	464	455	441	435
14. Other liabilities				
Current				
Subscriptions and fees received in advance	28,202	30,012	28,202	30,012
Lease incentive	617	94	617	94
	28,819	30,106	28,819	30,106
Non-Current				
Lease Incentive	6,159	20	6,159	20
	6,159	20	6,159	20
	34,978	30,126	34,978	30,126

CPA Australia Terms & Conditions of Purchase state payment terms of 30 days from date of invoice.

CPA Australia has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Notes

for the year ended 31 December 2009

	CONSOLIDATED		PARENT	
	2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
15. Commitments for expenditure				
(a) Capital expenditure commitments - plant and equipment				
Capital expenditure commitments contracted for at balance date but not recognised as liabilities:				
Not later than one year	-	-	-	-
(b) Non-cancellable operating lease commitments				
Aggregate amounts contracted for at balance date but not recognised as liabilities:				
Not later than one year	9,824	10,653	9,631	10,539
Later than one year but not later than five years	21,475	17,308	21,451	17,189
Later than five years	27,778	21,390	27,778	21,390
	59,077	49,351	58,860	49,118
In respect of non-cancellable operating leases the following liabilities have been recognised:				
Current:				
Restoration of leased properties	303	1,167	303	1,167
Lease incentive	617	94	617	94
Non current:				
Restoration of leased properties	297	505	297	505
Lease incentive	6,159	20	6,159	20
	7,376	1,786	7,376	1,786
(c) Other commitments				
Not later than one year	599	9,548	599	9,548
Later than one year but not later than five years	-	1,358	-	1,358
	599	10,906	599	10,906

- (d)** CPA Australia will continue to support in 2010 the following organisations: Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB), Australian Professional and Ethical Standards Board (APESB) and the International Federation of Accountants (IFAC). However, the funding requirements have not been determined at balance date and are not included in the above.

CPA Australia has provided support in 2009 to the AASB and the AUASB in the pursuit of their objectives under agreement with the Financial Reporting Council of Australia (FRC). The contribution for the year 2009 was \$277,155 (2008: \$404,167).

CPA Australia has provided support in 2009 to the IFAC in the pursuit of their objectives. The contribution for the year 2009 was \$720,351 (2008: \$466,669). The increase is due to prevailing USD/AUD exchange rates at the time of payment, as invoices are USD denominated.

As part of the undertakings with APESB, CPA Australia, the Institute of Chartered Accountants in Australia (ICAA) and the National Institute of Accountants (NIA) contribute funds necessary for the pursuit of the objectives of APESB. The contributions for the year 2009 was \$372,386 (2008: \$360,460).

16. Limitation of members liability

CPA Australia is a company limited by guarantee and, in accordance with the Constitution, the liability of members in the event of CPA Australia being wound up would not exceed \$10 per member.

Notes

for the year ended 31 December 2009

17. Related parties

The following were key management personnel of CPA Australia during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non- Executive Directors

Mr A Malley (President) term completed 31 March 2009

Mr Low W K

Prof R Petty (President) effective 1 April 2009

Mr J Cahill

Mr S Chapman

Mr P Cooper

Mrs P Egan

Ms C Foo

Mr M Grey

Ms K Ryan

Mr B Trebilcock

Mr G Wade

Mr S Bird (commenced 1 April 2009)

Executives

Mr A Malley (Chief Executive Officer) effective 12 October 2009

Mr G Rankin (Chief Executive Officer) until 11 October 2009

Mr M Adlam (Executive General Manager - Brand & Communications) effective 29 January 2009

Mr A Awty (Chief Financial Officer & Executive General Manager - Corporate Services)

Mr T Dwyer (Executive General Manager - Organisational Effectiveness)

Mr A Gleeson (Executive General Manager - Member Knowledge)

Mr J Hughes (Executive General Manager - Member Services)

Ms L Nicholson (Company Secretary & General Counsel)

Mr P Wappett (Executive General Manager - International Development)

Compensation of Directors

In 2009, in accordance with the Constitution, the Board approved the payment of fees to the President, Deputy Presidents and External Directors. For the President, Deputy Presidents and External Directors, payments were made as permitted under Article 45 (and the former clauses 81(o)) of the Constitution. All payments are deemed to be compensation for the purpose of this disclosure. At balance date, all 2009 short-term employee benefits for Directors had been paid and are recognised in the aggregate Key Management Personnel component below. Commencing 1 April 2010 payment will be made to all other Directors.

Key Management Personnel Compensation

The aggregate compensation made to key management personnel of CPA Australia is set out below:

	2009	2008 (Restated)
	\$000's	\$000's
Short-term employee benefits	2,865	2,770
Post-employment benefits	226	283
Termination benefit	-	177
	3,091	3,217

The key management personnel compensation amount for the comparative year has been restated as the result of an omission in 2008.

Apart from the restatement of this note, there were no other adjustments required to the financial statements in respect of this item.

Loans to key management personnel

There are no loans between key management personnel and CPA Australia.

Other transactions of key management personnel and key management personnel related entities

In 2007, CPA Australia entered into a memorandum of understanding with two other accounting bodies (the National Institute of Accountants (NIA) and the Institute of Chartered Accountants in Australia (ICAA)) to jointly promote the Association of Accounting Technicians (AAT) as the peak organisation representing the para-professional segment of the accounting profession through the provisions of loan funds. Non current loan receivable from AAT is \$350,000 before interest which is charged monthly at the rate of 0.5 per cent per annum above the 90 day Bank Bill Rate. The amount outstanding will be settled in cash progressively per the loan agreement schedule. The CEO and the General Manager - Policy and Research are members of the AAT Board.

No expenses have been recognised in the period for bad and doubtful debts in respect to the amounts owed by related parties.

Commercial transactions were entered into with entities where an association exists with key management personnel. In 2009 Kerry Ryan was a Partner of Deacons until June 30 and Alex Malley was on the Board of both the Society for Knowledge Economics and The Australasian Reporting Awards Inc. The General Manager Malaysia is also a Director CPA Australia (Malaysia) Sdn.Bhd along with Jeff Hughes, Executive General Manager Member Services and Adam Awty, Chief Financial Officer & Executive General Manager Corporate Services.

During the year, CPA Australia paid professional indemnity and directors' and officers' liability insurance in respect of its Directors. The insurance contract providing this cover does not allow CPA Australia to disclose either the extent of cover or the premium paid.

Notes

for the year ended 31 December 2009

	CONSOLIDATED		PARENT	
	2009 \$	2008 \$	2009 \$	2008 \$
18. Remuneration of auditors				
Auditors of parent entity				
Audit & Review of Financial Report	120,000	120,000	120,000	120,000
Other services	122,594	132,617	122,594	132,617
	242,594	252,617	242,594	252,617

Any activity which involves the engagement of the company auditor must adhere to the Board endorsed principles and require the prior approval of the Board Audit and Risk Committee to ensure there is no conflict of interest. As a general principle, the use of the external auditors is limited to the provision of statutory audit work and non-discretionary audit-related work. Where the statutory auditor is deemed to be the most appropriate to carry out Professional Development, article authoring or CPA Program authoring and support at program workshops, this is to be documented and provided to the Board Audit and Risk Committee for endorsement quarterly. There is no commercial sponsorships in Australia or Malaysia (where Deloitte is also the local auditor). However, offshore divisions can enter into sponsorships with their local Deloitte office where PricewaterhouseCoopers, Ernst & Young and KPMG will also be represented. Sponsorships can be raised for member awards where the member is the direct recipient of the cash benefit.

During 2009, CPA Australia received revenue in the form of sponsorship from Deloitte Singapore for the CPA Careers @ Singapore event and the CPA Australia Scholarship Program. Deloitte Hong Kong provided sponsorship for the CPA Career Market Day, CPA Program Excellence Awards and the CPA Australia 13th Asian Regional Conference.

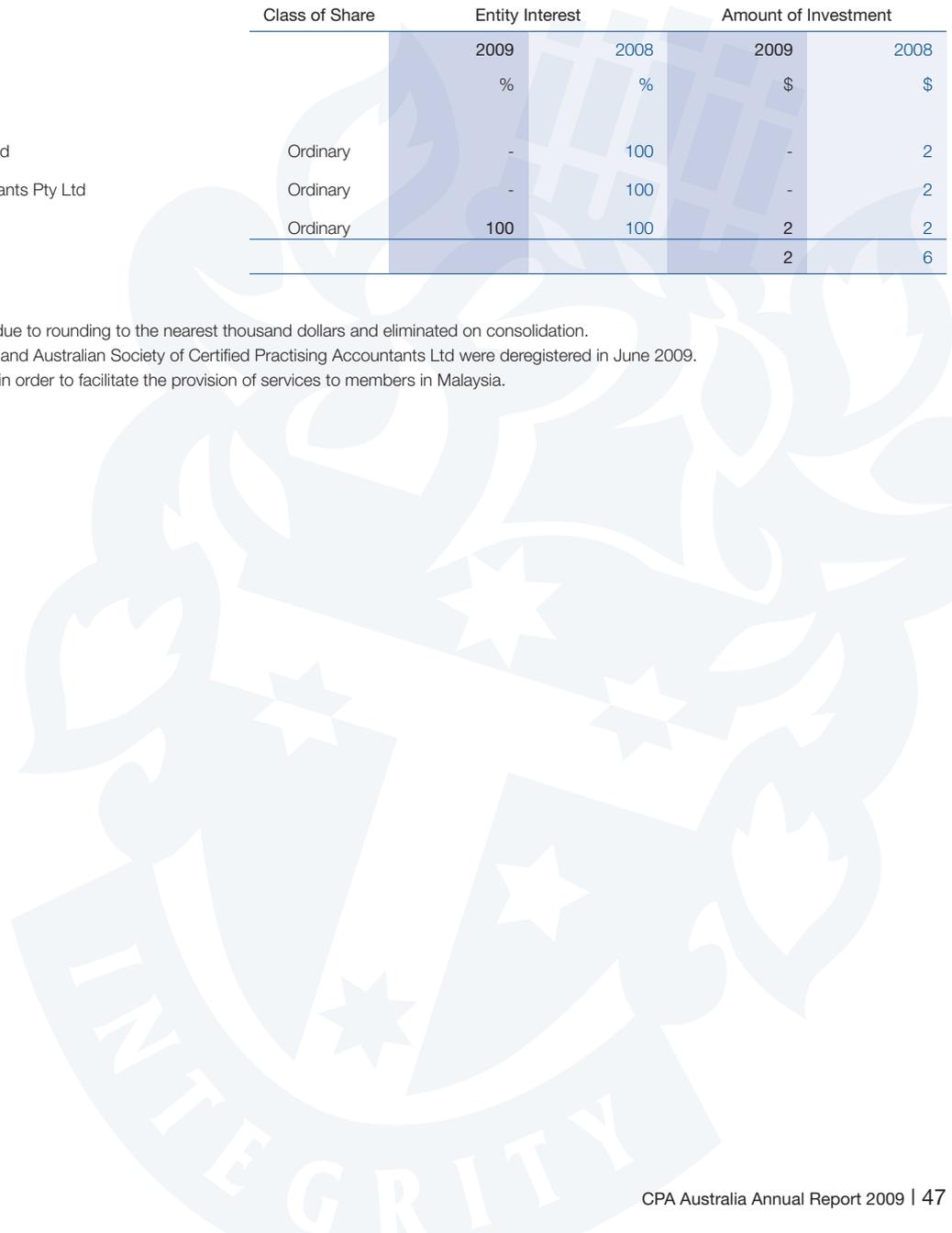
19. Investment in controlled entities

	Class of Share	Entity Interest		Amount of Investment	
		2009 %	2008 %	2009 \$	2008 \$
Controlled entities					
Australian Society of Accountants Services Pty Ltd	Ordinary	-	100	-	2
Australian Society of Certified Practising Accountants Pty Ltd	Ordinary	-	100	-	2
CPA Australia (M) Sdn Bhd	Ordinary	100	100	2	2
				2	6

These investments are not shown in the accounts due to rounding to the nearest thousand dollars and eliminated on consolidation.

Australian Society of Accountants Services Pty Ltd and Australian Society of Certified Practising Accountants Ltd were deregistered in June 2009.

CPA Australia Sdn Bhd is incorporated in Malaysia in order to facilitate the provision of services to members in Malaysia.



Notes

for the year ended 31 December 2009

20 Superannuation and defined benefit plan

Employees have the choice to contribute either to the CPA Australia Superannuation Plan of the Citigroup Asset Management Corporate Superannuation Master Trust ('the plan') or their own nominated fund. Employees may contribute to the funds at various percentages of their total salary cost.

The plan provides both accumulation and defined benefit divisions. Eligibility to enter the defined benefit divisions ceased on 31 December 1999.

Accounting Policy

Actuarial gains and losses are recognised immediately through retained earnings in the year in which they occur.

Fund Information

Defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The defined benefit section of the fund is closed to new members. All new members receive accumulation only benefits.

Reconciliation of the Defined Benefit Obligation

	Financial year ended	31 December 2009 \$000's	31 December 2008 \$000's
Present value of defined benefit obligations at beginning of the year		2,268	2,371
Current service cost		197	202
Interest cost		86	125
Contributions by fund participants		58	49
Actuarial (gains)/losses		(183)	421
Benefits paid		(412)	(764)
Taxes, premiums and expenses paid		(58)	(136)
Present value of defined benefit obligations at end of the year		1,956	2,268

Reconciliation of the Fair Value of Fund Assets

	Financial year ended	31 December 2009 \$000's	31 December 2008 \$000's
Fair value of fund assets at beginning of the year		2,268	3,391
Expected return on fund assets		147	226
Actuarial gains/(losses)		233	(1,076)
Employer contributions		115	578
Contributions by fund participants		58	49
Benefits paid		(412)	(764)
Taxes, premiums and expenses paid		(58)	(136)
Fair value of fund assets at end of the year		2,351	2,268

Reconciliation of the Assets and Liabilities Recognised in the Statement of Financial Position

	As at	31 December 2009 \$000's	31 December 2008 \$000's
Defined Benefit Obligation [^]		1,956	2,268
Fair value of assets		(2,351)	(2,268)
Deficit/(surplus)		(395)	-
Liability/(asset)		(395)	-

[^] includes contributions tax provision

Notes

for the year ended 31 December 2009

Expense Recognised in Income Statement

	Financial year ended	31 December 2009 \$000's	31 December 2008 \$000's
Service cost		197	202
Interest cost		86	125
Expected return on assets		(147)	(226)
Superannuation expense/(income)		136	101

Expense recognised in income statement in respect of defined contribution plan:

Amounts Recognised in Other Comprehensive Income

	Financial year ended	31 December 2009 \$000's	31 December 2008 \$000's
Actuarial (gains)/losses		(416)	1497

Cumulative Amount Recognised in the Other Comprehensive Income

	Financial year ended	31 December 2009 \$000's	31 December 2008 \$000's
Cumulative amount of actuarial (gains)/losses		272	688

Fund Assets

The percentage invested in each asset class at the balance sheet date:

	As at	30 November 2009* %	31 December 2008 %
Australian Equity		35%	35%
International Equity		23%	23%
Fixed Income		24%	24%
Property		10%	10%
Alternatives/Other		3%	3%
Cash		5%	5%

* asset allocation as at 31 December 2009 was not available as at reporting date, benchmark allocation has been used.

Fair Value of Fund Assets

The fair value of Fund assets includes no amounts relating to:

- any of the employer's own financial instruments
- any property occupied by, or other assets used by, the employer.

Expected Rate of Return on Fund Assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class and allowing for the correlations of the investment returns between asset classes. The returns used for each class are net of investment tax and investment fees.

Notes

for the year ended 31 December 2009

Actual Return on Fund Assets	Financial year ended	31 December 2009 \$000's	31 December 2008 \$000's
Actual return on fund assets		380	(850)
Principal Actuarial Assumptions at the Reporting Date			
	Financial year ended	31 December 2009	31 December 2008
Discount rate		4.90% pa	4.10% pa
Expected rate of return on fund assets		6.80% pa	6.80% pa
Expected salary increase rate		4.00% pa	4.00% pa
Historical Information			
	Financial year ended	31 December 2009 \$000's	31 December 2008 \$000's
Present value of defined benefit obligation		1,956	2,268
Fair value of fund assets		2,351	2,268
(Surplus)/deficit in fund		(395)	-
Experience adjustments (gain)/loss - fund assets		(233)	1,076
Experience adjustments (gain)/loss - fund liabilities		(109)	254
Expected Contributions			
		31 December 2010 \$000's	
Expected employer contributions		106	

Funding arrangements for employer contributions

(a) Contribution recommendations

The current contribution recommendations, as set out in the report of the most recent actuarial valuation of the fund as at 31 December 2008, are 10.0% of salaries of defined benefit members, and 12.0% of salaries of defined contribution members who are members of Category 3 and 9% of salaries for other defined contribution members. The employer is currently contributing at these rates.

(b) Funding method

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

(c) Economic assumptions

The economic assumptions adopted for the last actuarial review as at 31 December 2008 of the Fund were:

Expected rate of return on assets (discount rate)	4.10% pa
Expected salary increase rate	4.00% pa

CPA Australia has recognised an asset in the Statement of Financial Position in respect of its defined benefit plan arrangements. If a surplus exists in the Fund, CPA Australia may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

The employer may at any time by notice to the trustee terminate its contributions. The employer has a liability to pay the monthly contributions due prior to the effective date of the notice, but there is no requirement for the employer to pay any further contributions, irrespective of the financial condition of the Fund.

Notes

for the year ended 31 December 2009

21. Financial risk management, objectives and policies

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity markets.

During 2009 the Board of CPA Australia reviewed and amended its investment policy. The purpose of the revised policy is to 'protect and grow' the capital base within a defined risk tolerance over the medium to long term and to generate an annual return that is in excess of what could be achieved through a risk adverse strategy. The new policy allows CPA Australia to invest directly or via Managed Funds in both Australian and international equities, fixed interest investments including corporate debt and cash.

CPA Australia's financial instruments consist mainly of bank bills, cash and equities that are traded in an active market. The main purpose of these financial instruments is to invest surplus member funds in order to maximise returns while not exposing the organisation to a high level of risk. Investment of funds is in line with CPA Australia's investment policy.

Other financial assets and liabilities are trade receivables and trade payables which arise directly from CPA Australia's operations. Policies for managing the main risks are summarised below:

(a) Foreign currency risk management

It is not CPA Australia policy to utilise off-balance sheet derivative instruments as a means of managing exposure to fluctuations in foreign exchange rates. Foreign exchange exposure is continuously monitored by CPA Australia's Finance Business Unit and reported to the relevant operation of CPA Australia through management reports which analyse exposures by degree and magnitude of risks. In 2009, the strengthening of the Australian Dollar against the currencies where substantial cash is held resulted in a foreign exchange loss of \$1.26m for the full year.

(b) Credit Risk Exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to CPA Australia. CPA Australia has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. CPA Australia's exposure is continuously monitored and limits reviewed annually. Trade receivables consist of a large number of members and customers, spread across diverse industries and geographical areas. CPA Australia does not have any significant credit risk exposure to any single party or any group of counter parties having similar characteristics. The credit risk on liquid funds and bank bills is mitigated by ensuring the authorised deposit taking institutions have a minimum S&P credit rating of BBB+ (or Moody's/Fitch equivalent).

The credit risk on financial assets of the economic entity which have been recognised on the Balance Sheet is generally the carrying amount, net of any provisions for loss. Use of off balance-sheet financial instruments is not part of current policy. Trade receivables are concentrated in Australia and the concentration of credit risk arises mainly in the following industries:

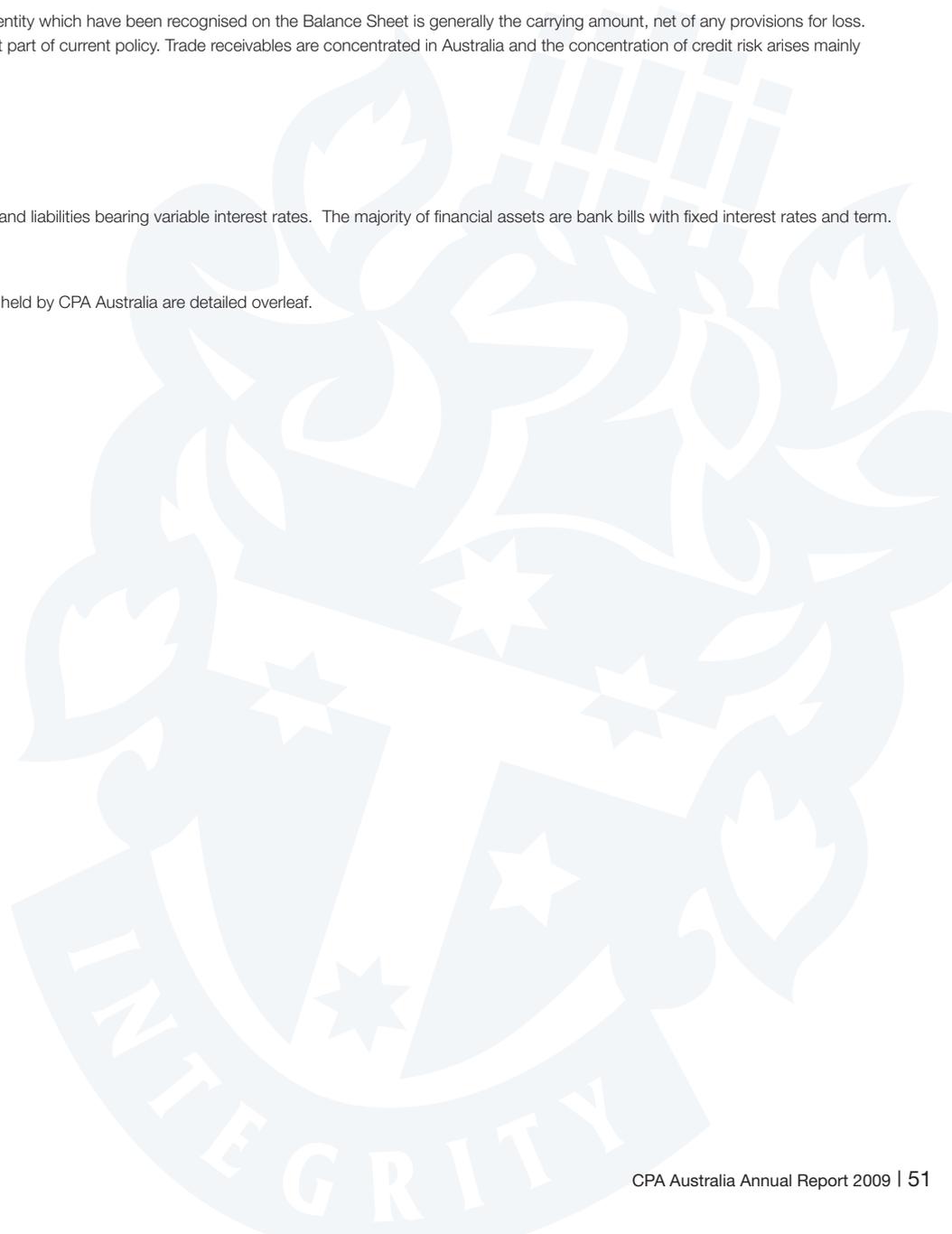
- Advertising and sponsors
- Accounting practices
- Credit services

(c) Interest Rate Risk Exposures

Exposures to interest rate risk are limited to assets and liabilities bearing variable interest rates. The majority of financial assets are bank bills with fixed interest rates and term. These are held to maturity.

(d) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held by CPA Australia are detailed overleaf.



Notes

for the year ended 31 December 2009

21. Financial instruments

	Weighted average interest rate	Floating interest rate \$000's	1 year or less \$000's	1-2 years \$000's	Non-interest bearing \$000's	Total \$000's
2009						
Financial Assets						
Cash and cash equivalents	4.62%	5,387	30,009			35,396
Bank bills < 1 year	4.00%		1,510			1,510
Bank bills > 1 year	5.05%			13,500		13,500
Receivables					10,594	10,594
		5,387	31,519	13,500	10,594	61,000
Financial Liabilities						
Payables					8,580	8,580
Subscriptions and fees in advance					28,202	28,202
		-	-	-	36,782	36,782
Net Financial Assets/(Liabilities)		5,387	31,519	13,500	(26,188)	24,218
2008						
Financial Assets						
Cash and cash equivalents	6.10%	3,030	29,826			32,856
Bank bills < 1 year	5.94%		23,520			23,520
Bank bills > 1 year	8.34%			990		990
Receivables					3,555	3,555
		3,030	53,346	990	3,555	60,921
Financial Liabilities						
Payables					8,659	8,659
Subscriptions and fees in advance					30,012	30,012
		-	-	-	38,671	38,671
Net Financial Assets/(Liabilities)		3,030	53,346	990	(35,116)	22,250

(e) Net Fair Value of Financial Assets and Liabilities

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of CPA Australia's short, medium and long-term funding and liquidity management. CPA Australia manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities. CPA Australia invests in equities that are traded in an active market on the Australian Securities Exchange and that can be readily disposed of. Given the current surplus cash assets, liquidity risk is minimal.

(g) Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. CPA Australia manages the financial risks relating to its investments set out in accordance with the CPA Australia Cash and Investment Policy. The policy has a number of thresholds that can not be exceeded, including weighting for asset classes and individual limits within each asset class.

Level 1

\$000's

Financial assets at fair value through profit or loss

Non-derivative financial assets held for trading

1,227

1,227

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes

for the year ended 31 December 2009

(h) Capital risk management

CPA Australia manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments.

The capital structure of CPA Australia consists of cash & cash equivalents and equity, comprising reserves and retained earnings.

CPA Australia has a global presence and operates through branches in the United Kingdom, New Zealand and Asia. No operations of CPA Australia are subject to external imposed capital requirements.

(i) Sensitivity analysis

The below table details the group's sensitivity to shifts in interest rate and foreign exchange rates. The exposures are based on management's best estimates of the possible adverse effects of changes in interest rate and foreign exchange rates as at 31 December 2009.

Annual risk by risk type	Minimum		Average		Maximum	
	2009	2008	2009	2008	2009	2008
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Foreign exchange	24	57	121	291	218	524
Interest rate	92	139	231	347	369	554

Interest rate analysis is based on balances of financial assets not exceeding 1 year, which are all at fixed rates. Minimum and maximum exposures are calculated at shifts of 25 basis points and 100 basis points respectively. A net decrease in interest translates into a fall in profit as investment income is reduced.

CPA Australia is mainly exposed to Singapore dollars, Hong Kong dollars, Chinese yuan and Malaysian ringgits. Foreign exchange sensitivity analysis is based on outstanding foreign currency denominated intercompany loan amounts and revenues and expenses for the year 2009. Minimum and maximum exposure are calculated at shifts of 1% and 10% change in exchange rate respectively. A positive number indicates a decrease in profit where the Australian dollar strengthens against other currencies.

22. Notes to statement of cash flows

	CONSOLIDATED		PARENT	
	2009 \$000's	2008 \$000's	2009 \$000's	2008 \$000's
Reconciliation of Profit After Income Tax to Net Cash				
Inflow from Operating Activities				
Surplus after income tax	4,077	2,267	4,072	2,246
Plus/(minus) non-operating items:				
Interest income received	(3,565)	(4,607)	(3,565)	(4,607)
Plus/(minus) non-cash items:				
Foreign exchange translation	(88)	(556)	(67)	(556)
Depreciation and amortisation	3,989	2,588	3,989	2,588
Net/(gain) loss on sale of property, plant and equipment	356	100	356	100
Change in assets and liabilities:				
(Increase)/decrease in receivables	(133)	(649)	(66)	(649)
(Increase)/decrease in inventories	-	-	-	-
(Increase)/decrease in other assets	(480)	(370)	(473)	(516)
Increase/(decrease) in payables	(79)	1,983	(128)	2,066
Increase/(decrease) in subscriptions and fees in advance	(1,810)	6,845	(1,810)	6,845
Increase/(decrease) in other liabilities	(768)	(79)	(768)	(82)
Increase/(decrease) in provisions	(349)	111	(357)	103
Change in items in equity				
Amounts recognised in Equity relating to Defined Benefit Plan	416	(1,497)	416	(1,497)
Net cash inflow from operating activities	1,566	6,136	1,599	6,043

23. Subsequent events

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the consolidated entity, the results of those activities or the state of affairs of the consolidated entity in the ensuing or any subsequent financial year.

Director's declaration

The Directors declare that:

- (a) 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;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



PROFESSOR RICHARD PETTY FCPA

Director

19 February 2010



PAUL COOPER FCPA

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPA AUSTRALIA LIMITED

We have audited the accompanying financial report of CPA Australia Limited, which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end as set out on pages 32 to 54.

Directors' Responsibility for the Financial Report

The directors of CPA Australia Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

- (a) the financial report of CPA Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 2.



DELOITTE TOUCHE TOHMATSU



Peter A Caldwell
Partner
Chartered Accountants
Melbourne, 19 February 2010

Key Dates

CPA Congress 2010

- + Brisbane: 5 - 8 October 2010
- + Melbourne: 11 - 15 October 2010
- + Sydney: 18 - 21 October 2010
- + Darwin: 27 - 29 October 2010
- + Hong Kong: 29 October 2010
- + Adelaide: 3 - 5 November 2010
- + Singapore: 3 November 2010
- + Kuala Lumpur: 8 November 2010
- + Hobart: To be confirmed
- + Canberra: 17 - 19 November 2010
- + Perth: 16 - 19 November 2010
- + London: 30 September 2010 - 1 October 2010

Please note, these dates are correct at the time of printing, however please check our website for any changes.

CPA Australia AGM

- + Melbourne 29 April 2010

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