

**CPA AUSTRALIA
ANNUAL REPORT
2010**

CONTENTS

Performance highlights	2	President's report	4	CEO's report	6
Members	8	Leadership and influence	13	Member resources	20
Education and careers	24	Partnerships and community	30		
Our people	34	Corporate governance	44	Financial report	55
Key dates	106				

+ CPA Australia is the global professional accountancy designation for strategic business leaders.

Founded in 1886, CPA Australia is one of the world's largest professional accounting bodies, representing more than 132,000 members in 111 countries.

CPA Australia advances its members' interests through its focus on education and knowledge exchange, the development of professional networks, advocacy in relation to policy, standards and regulation, and the promotion of the value of CPAs to employers, government, regulators and the public. The CPA designation is recognised and valued throughout the world.

CPA Australia delivers access to premium education, training, publications and resources to all members, wherever they live, in whatever industry sector they work, and wherever they are in their professional career.

CPA Australia also serves the public interest by enforcing a strict professional code of conduct with our members, including an obligation to undertake continuous professional development to ensure that the highest of professional standards are maintained.

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Performance Highlights

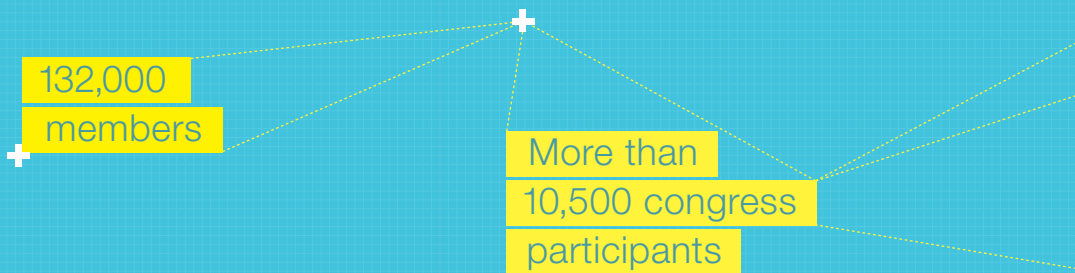
The following major milestones were achieved in 2010:

PROVIDED MEMBERS WITH READY ACCESS TO KNOWLEDGE THAT ENHANCES THEIR CAREER

- + CPA Congress was transformed into a global, as well as virtual, event expanding the opportunity for members to network and to experience high-calibre speakers from around the world.
- + An award-winning new website was launched, increasing members' access to on-demand information.
- + Business Outlook and CFO Advance programs were launched to further support members who are in senior roles.
- + CPA Australia's online career guidance system was used extensively by members, allowing them to tailor their personal and professional development to their career aspirations.
- + New online member practice communities were launched, providing members with the ability to share with their fellow members information, experience and views on a range of topic areas in real-time.

BUILT THE CPA AUSTRALIA BRAND

- + Advertising campaign promoting the value of CPAs to business through the individual stories of members aired throughout Australia and South-East Asia.
- + CPA Australia's role in the Henry Tax Review, the Cooper Review, the Future of Financial Advice forums and the Australian federal election was sought and acted upon by government.
- + A new online TV show *The Bottom Line* was produced on evoTV, building awareness of CPA Australia among business leaders and the wider community.
- + A new university competition, 'The CPA Australia Big Break', was delivered throughout Australian universities, building loyalty to CPA Australia among students, their families and academics.
- + The Recognised Employer Program was launched, making it easier for employers to partner with CPA Australia to develop their staff.



**PROVIDED CPA PROGRAM
AND ENTRY PATHWAYS THAT
ARE GLOBALLY COMPETITIVE**

- + Foundation level examinations were held for the first time, attracting a new audience to the accounting profession.
- + The revised CPA Program delivered a 77 per cent satisfaction rating from candidates in its first year.
- + Mutual recognition arrangements were renewed with the Institute of Certified Public Accountants of Singapore (ICPAS) and with the Hong Kong Institute of Certified Public Accountants (HKICPA), increasing CPA Australia's international reach.

**DEVELOPED
ORGANISATION
CAPABILITY**

- + A record volume of member enquiries, services and transactions was provided while delivering a surplus of \$11.8 million (before tax) and maintaining a strong financial position.
- + A new organisation structure was implemented to position CPA Australia for the future.
- + The first stage of CPA Australia's core business system upgrade program was delivered, with the core financial management system being upgraded during the year. Significant work on other core business processes and systems was also undertaken in preparation for large scale upgrades in 2011-12.

125 years
history

More than
180,000 member
enquiries

111 countries

More than
4 million web
views

PRESIDENT'S REPORT

LOW WENG KEONG, FCPA
President and Chairman of
the Board of CPA Australia



Strength through
experience

In 2011, we will celebrate CPA Australia's 125-year anniversary. The world has changed a great deal since CPA Australia was formed and CPA Australia has continuously adapted to ensure that our members remain at the heart of everything we do whilst also meeting the ever-changing needs of the profession and the community at large. While we will celebrate CPA Australia's history, its enduring strength and its great characters during the year ahead, I would like to take a moment to focus on the more immediate past with some thoughts about 2010.

The economic fortunes of institutions and even sovereign nations over the past few years have demonstrated that the qualities that underpin the accounting profession: rigour, clarity, transparency, independence and ethics, are virtues on which the world relies to improve living standards.

CPA Australia is proud that, in a year where global economic conditions improved, CPA Australia members played a major role in helping both economies and businesses get back on track in 2010.

I was honoured to become President of CPA Australia in October 2010. I would like to acknowledge the many and substantial outcomes achieved by Professor Richard Petty during his Presidency and to thank and congratulate him on behalf of all members for his great energy, his tireless promotion of the profession and CPAs, and the manner in which he led the Board.

Our flagship conference, CPA Congress, was transformed into an international event including, for the first time, London, Hong Kong, Singapore and Malaysia, and offered more than 10,500 participants the opportunity to hear from the very best speakers from around the world.

For the first time, members were able to attend Congress from anywhere around the globe through our online Virtual Congress event. More than 1,100 members from 14 countries took part in the online format.

CPA Australia's redeveloped website won external recognition with a gold award for the Best Professional Services website at the W3 International Academy of the Visual Arts Awards.

Foundation level examinations were introduced as part of the revised CPA Program, and they have given more people the opportunity to become a CPA, provided they can demonstrate having the requisite knowledge, experience and commitment to professional standards.

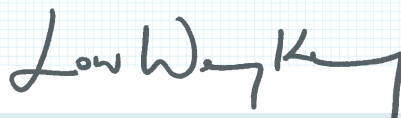
Thousands of aspiring CPAs, who previously would not have had the opportunity, commenced their journey into the profession through our foundation level.

These expansions of service to members have been delivered alongside efficiency improvements which have significantly reduced operating costs and delivered a healthy surplus for 2010. This surplus provides the ability to invest in our members as well as providing a contingency to deal with future challenges and uncertainties.

Future plans for investment include programs to enhance our core relationships with existing students, academia and employers, as well as further development of our knowledge base, our networks and the quality of our certification.

One of the great privileges of assuming the Presidency is that I will meet many of you during the year. I never tire of experiencing your pride in, and enthusiasm for, the CPA designation. I'm pleased that this year's report captures some of your stories.

On behalf of all members, I would like to thank my fellow members of the Board, past and present, and the many hundreds of members who continue to contribute their time, their expertise, their energy and their passion to our Representative Council, our Divisional and Branch Councils, our Advisory Committees, our Centres of Excellence, our discussion groups and task forces, and our other member representative forums. It is this commitment by our members to service, combined with an observance of quality and tradition, that sets CPA Australia apart and ensures that it has the foundations to thrive for the next 125 years.



LOW WENG KEONG, FCPA
President and Chairman of
the Board of CPA Australia

CEO'S REPORT

ALEX MALLEY, FCPA
CEO of CPA Australia



Reshaping for
the future

Throughout its history, CPA Australia has been at the forefront of initiatives to improve how organisations report their performance and position to external audiences. We have engaged with members, regulators, institutional and retail investors and community groups and been involved in forums like the Australian Reporting Awards to promote better business reporting. Recently, the notion of sustainability reporting and, more recently, integrated reporting have gained momentum among users and preparers of reports. CPA Australia continues to lead from the front, producing reports of our non-financial performance to complement our financial reports.

It is quite deliberate that our members and other stakeholders will see a further evolution of our annual report this year. This year's report provides commentary about the events of 2010 and a sense of how CPA Australia intends to improve its relevance and service to members in 2011 and beyond.

Our financial reports are concise, useful and easy to understand. Our 2010 sustainability report can be accessed via the CPA Australia website. It follows the same structure as this report and I encourage you to read it in conjunction with this annual report and to provide feedback through the email address ceo@cpaaustralia.com.au

Feedback has helped us to understand what drives our members' satisfaction. You have told us unequivocally that you want CPA Australia to promote the value that CPAs bring to the world and to organisations, that you want access to the best knowledge, that you want us to advocate on your behalf, and that you expect us to deliver a great member experience whenever you interact with CPA Australia.

We understand that service is about being personal and hospitable. During 2010 we implemented a number of ways that members can provide quick and direct feedback to me and to members of the

Executive Team; added people to our member enquiries teams to provide members with more personal service; invested in upgrading and transforming our member database systems; and simplified processes to empower staff to provide exceptional service.

Our advertising campaign featured two of our members who embody the traits that make CPAs so valuable, and received a very favourable response from employers, industry partners, other professional groups and the wider community.

We also championed CPA Australia through new media coverage. We launched a new online TV show, *The Bottom Line*, on internet channel evoTV, featuring some of the biggest names in Australian business.

In print and broadcast media, in addition to commenting on traditional tax and finance issues, CPA Australia made commentary on topics of the day including the changing role of the Board as societal and community expectations change, the funding of higher education, potential stock exchange mergers, the challenges of leading a minority government and governance in sporting organisations.

Our leadership and influence agenda represented members' interests during the Henry Tax Review, the Cooper Review into superannuation, Future of Financial Advice forums and the Australian federal election.

As a gold sponsor at the World Congress of Accountants held in Malaysia during November, CPA Australia was showcased among our peers on the world stage.

All of these efforts saw CPA Australia recognised through the independent Annual Beaton Professions Survey research where our 'providing leadership' score exceeded that of all other participating accounting organisations.

To ensure that we continue to meet members' needs, in 2010 we implemented a new organisation structure that places additional emphasis on member service and business development. We are investing to ensure that we provide you with the best service, the best products and the best opportunities to enhance your professional knowledge and skills. **'We won't back down'** from the challenge of ensuring that we are the world's best membership body.

I would like to thank you, our members, as well as the many partners and friends of CPA Australia, for contributing to the success of CPA Australia in 2010. Finally, I have asked a lot of CPA Australia's staff during 2010, and I am proud of the dedication, innovation, adaptability and commitment that they have demonstrated throughout the year to ensure that we provide our members with a great experience.



ALEX MALLEY, FCPA
CEO of CPA Australia



MEMBERS

- + Our aim is to ensure CPA Australia is the world's best member service organisation and that at the heart of everything we do is service.

Improving member service and experience

To assist and drive continual improvement in service levels to members, CPA Australia has been actively building our infrastructure, systems and culture to support staff to better serve members. This has been done following member feedback, reviews of best practice member service providers and input from staff across CPA Australia. The member service culture we are driving is centred on empowerment to meet members' needs, taking ownership, identifying good service, improved product knowledge and on-going training and measurements. This has already resulted in a number of quick wins in the experience members enjoy, including:

- ✦ Employing more people to handle member enquiries.
- ✦ Streamlining phone queues during peak times.
- ✦ Introducing a call-back facility to callers into the central member advisory 1300 number.
- ✦ Setting service targets and improved performance with regard to phone queue times, turnaround times for assessments and email response times.
- ✦ Implementing the CEO mailbox – an open invitation for feedback being on the footer of all staff members' emails.

During 2010, the Melbourne head office member advisory area alone handled more than 180,000 member enquiries and completed more than 20,000 member and migration assessments.

Opportunities to provide feedback

CPA Australia is genuinely interested in the views of members, and obtains feedback through a comprehensive structure of volunteer member councils, committees, discussion groups and online communities. Through these connections, members effectively and efficiently share their knowledge and experience with each other and create a vibrant and engaged community.

When a relevant issue arises, members are invited to provide feedback to help shape CPA Australia's public policy positions. In 2010, roundtable discussions were held with invited members to help shape CPA Australia's positions on topics such as access to finance, employee fraud and capital investment appraisal.

CPA Australia has regular forums and opportunities to provide feedback, and invites members and interested stakeholders to do so via:

- ✦ The CEO mailbox (ceo@cpaaustralia.com.au)
- ✦ *CPA Update* and *INTHEBLACK* invitations
- ✦ Have your say postcards that are located at the reception area of each of our offices
- ✦ Surveys
- ✦ Blog and Community+ online forums.

Advertising campaign hits the mark with employers

The 2010 international advertising campaign demonstrated the real value that CPA Australia members add to business.

Featuring real narratives told by real members, the campaign profiled CPA Australia members who 'think + create' beyond the numbers in their organisations and showcased how they make a difference through leadership, teamwork, innovative thinking and strategy.

The ads were placed in Australia, Malaysia, New Zealand, Vietnam and Hong Kong through a mix of TV, magazines, newspapers, online and print, and were a success with business leaders, members and students.

Member First program kicks off

CPA Australia's transformation program, Member First, recognises that it is the responsibility of each and every CPA Australia staff member to deliver a member experience that is personal, consistent, memorable and positive during every interaction.



MELISSA CLASSEN, CPA
CFO ADIDAS GROUP HONG KONG AND TAIWAN
Featured member in CPA Australia advertising campaign

Through the Member First program, we are upgrading and replacing our core systems and redesigning the way we do business. The first phase, an upgrade to the finance system, was successfully completed in 2010.

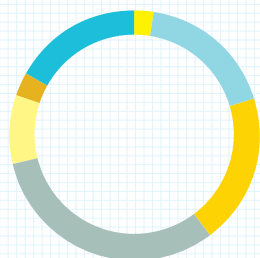
As a result of this program we aim to improve our systems and processes so that members receive prompt, accurate and personalised service. Smarter information management will enable us to better tailor our communications and products in response to member preferences and professional development needs.

Upholding professional standards

To uphold the highest levels of integrity and professional standards during 2010 CPA Australia:

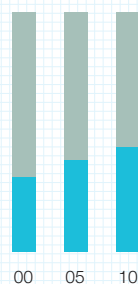
- Held more than 1,000 quality assurance reviews with our members in public practice.
- Investigated 350 complaints against members by members of the public (with 12 members having their membership revoked or suspended by the disciplinary panel for having engaged in professional misconduct).
- Conducted an audit of members' CPD compliance, with more than 96 per cent of audited members having complied with the requirement to have completed 120 hours of CPD over the preceding three-year period.

Upholding these professional standards underpins the confidence with which the public, employers, regulators and the media hold the CPA certification.



MEMBERSHIP BY EMPLOYMENT SECTOR 2010

2.7%	Education
17.7%	Public Practice
19.4%	SME
31.8%	Corporate
8.9%	Government
2.8%	Not for Profit
16.7%	Other



GENDER PROFILE OF MEMBERSHIP

2000	68.7%	Male
	31.3%	Female
2005	61.8%	Male
	38.2%	Female
2010	56.3%	Male
	43.7%	Female

REPRESENTATION AT ALL CAREER LEVELS AND INDUSTRIES SHOW CPA AUSTRALIA MEMBERS HAVE WHAT IT TAKES

Members of CPA Australia are being sought after by a range of organisations in a number of different industries and roles.

More than 30,000 members are in senior leadership roles including more than 15,000 members in CEO, CFO or business owner roles. We also have a strong pipeline in our membership with more than 30,000 candidates currently enrolled in the CPA Program.

GENDER BALANCE IN MEMBERSHIP

Since 2000, women have comprised 56 per cent of new members and now represent 44 per cent of the overall membership. Given the trend of new members, we anticipate a continuing gender balance in membership in the future.

STRONG MEMBERSHIP GROWTH

This year CPA Australia recorded strong membership growth with total membership reaching more than 132,000. This makes CPA Australia the largest accounting membership body in Australia, and the seventh largest professional accounting body in the world.

LOOKING FORWARD

In 2011 CPA Australia will:

Roll out organisation-wide service training.

Look for more innovative ways to better service members through phone services and email.

Continue to enhance the member advisory and information service to meet the needs of members.

Create greater measurement and accountability of service metrics across the organisation.

Execute the Member First transformation program.



LEADERSHIP
AND
INFLUENCE

- + Through thought leadership, influence and advocacy, we champion what matters to members and to the profession, and represent these interests to business, employers, government, media and the community.

Our major leadership and advocacy activities in 2010 positioned CPA Australia as an organisation whose views are sought by government and by leading media outlets. This confirmed CPA Australia's place as a respected player in public and government policy decision-making and in public opinion.

On the international stage at the World Congress of Accountants

During November 2010 the World Congress of Accountants (WCOA) event was held in Kuala Lumpur, Malaysia attracting more than 6,000 finance, accounting and business professionals from around the world. As a gold sponsor, CPA Australia helped WCOA drive broad leading-edge thinking on matters central to the accounting profession and business community.

CPA Australia made the most of this outstanding international opportunity with former Presidents Professor Richard Petty and Joycelyn Morton, and members of the Board, Christina Foo, Simon Bird, and Paul Cooper, presenting and participating in sessions on sustainability; financial, non-financial and management reporting; challenges facing small-to-medium practitioners; and Islamic finance.



In addition, CEO Alex Malley was a panel member of the final plenary session where CEOs of the world's major professional accounting bodies discussed the challenges facing the profession.

The event helped cement established relationships internationally and advance the interests of our members and the profession through collaborative advocacy, knowledge exchange and expanded international networks.

Having a say during the Australian federal election

CPA Australia was a leading commentator and source of advice during the 2010 Australian federal election.

Prior to the federal election, CPA Australia consulted members on key election issues via a poll to ensure members' interests and views were accurately represented. The outcomes contributed to CPA Australia's election policy priorities and were profiled on a dedicated CPA Australia election webpage and blog that kept stakeholders informed of the latest election news and views.

In addition, CPA Australia advocated on behalf of members to both major political parties on a range of important issues such as governance and accountability, tax reform, infrastructure, education, business regulation, retirement savings, financial industry advisers, sustainability and climate change.

Media coverage on CPA Australia's election priorities included CEO Alex Malley's appearance on SkyTV's election eve panel of business and government election experts, and articles on government leadership in the *Australian Financial Review*.

Business leadership gets the attention of policy makers

Our annual small business survey continued to attract the interest of international governments and media. The survey, which sought views from small businesses in Australia, Hong Kong, Malaysia and Singapore, increased awareness and understanding of the challenges faced by small businesses throughout the Asia-Pacific region.

In Australia, the survey outcomes were a point of reference for the government, being included in a policy Green Paper on national credit reform. Australia's Minister for Small Business, Senator the Hon Nick Sherry, also drew on findings from the survey to support assertions in relation to cash flow management and access to credit that he made during a key address. Results and insights from the 2010 survey were profiled in daily newspapers in Singapore, Malaysia and Hong Kong.

In partnership with the Certified General Accountants Association of Canada (CGA-Canada), CPA Australia held an exclusive roundtable forum in Melbourne themed 'Unlocking the potential of the SME sector'. The forum was attended by politicians including the then Minister for Small Business, the Hon Dr Craig Emerson MP, and the Shadow Minister for Small Business, the Hon Bruce Billson MP, business leaders, regulators, and industry experts. The forum identified issues and influences acting as a barrier to the economic potential of the SME sector relating to the regulatory burden, tax reform and incentives, and access to finance in times of capital scarcity. A report on the discussions, including a summation of key messages, was distributed to key stakeholders and policy decision-makers.

A seat at the table for the future – Australian Federal Budget, Henry and Cooper Reviews

Highlighting our ongoing working relationship with government, CPA Australia again attended the closed budget lock-up prior to its release, with our post-Budget doorstep interview featured in leading news coverage nationally. CPA Australia urged the Australian Government to show leadership and courage in investing in long-term infrastructure projects whose economic benefits would be realised outside of the electoral term, and in not rushing to return the Federal Budget to surplus at a time when economic stimulus was still required.

The future of tax and financial services reform was explored during the Australian Government's Henry Review and Cooper Review, and CPA Australia was at the forefront of consultations, being called upon to provide policy views and participate in the early release of both reports.

CEO Alex Malley was appointed by Assistant Treasurer and Minister for Financial Services and Superannuation, the Hon Bill Shorten MP, as the accounting profession's representative on the Australian Government's Financial Advice Advisory Panel. The Panel, made up of senior representatives from across the financial services industry, will play a key role in lifting the level of professional standards and promoting trust and confidence in the financial advice industry in 2011 and beyond.

Getting the standards right

CPA Australia influences the development, improvement and adoption of a number of Australian and international accounting, auditing, assurance and professional standards to reflect the views of members, the accounting profession and the wider community.

In 2010 alone, CPA Australia took a lead role in producing 72 submissions on legislative standards and securities regulations, contributed to roundtable discussions and influenced significant outcomes.

On behalf of the Commonwealth Treasury, CPA Australia hosted a roundtable to discuss reforms contained in the Corporations Amendment (Corporate Reporting Reform) Bill 2010. The legislation reformed aspects of the corporate reporting regime and reduced the burden of financial reporting for large corporate organisations and for the not-for-profit sector.

In addition, CPA Australia contributed to a number of recommendations to the Productivity Commission relating to reducing regulatory burdens on business, reducing business compliance costs and improving economic efficiency.

Breaking new ground in media coverage

CPA Australia launched a new regular TV series on online media channel evoTV during 2010. CEO Alex Malley, as host of the show *The Bottom Line*, elicited candid and personal insights from some of Australia's best-known leaders in business, politics and the community about their backgrounds, influences and leadership

styles. Guests included leading Australian businessman and Chancellor of the University of New South Wales David Gonski, former Business Council of Australia CEO Katie Lahey and Yellow Brick Road Chairman Mark Bouris.

Influencing a sustainable future

As the profession charts new territory in sustainability, non-financial and integrated reporting, CPA Australia continued to take a leadership position and to be sought out for its insights and views.

We built strong relationships and worked with those who are at the forefront of influencing the principles of sustainability, including the Global Reporting Initiative, the International Integrated Reporting Council, the United Nations Global Compact, HRH The Prince of Wales' Accounting for Sustainability (A4S) project, the Business Reporting Leadership Forum and the Accounting Bodies Network.

In 2010 we again partnered with academia to progress knowledge in sustainability. In the past five years CPA Australia has committed more than \$1.8 million in cash and in-kind benefits towards supporting nine Australian Research Council projects for topics ranging from the role of accountants in improving sustainability reporting to addressing international accounting standards. We've also funded over \$800,000 in other research grants.

[FOR MORE INFORMATION ON OUR LEADERSHIP AND INFLUENCE IN SUSTAINABILITY, READ OUR SUSTAINABILITY REPORT ON CPAAUSTRALIA.COM.AU](http://CPAAUSTRALIA.COM.AU)

In 2011 CPA Australia will:

Be a key counsel and active voice in the Australian Federal Government tax summit, which has the potential to shape the future tax and economic landscape.

Continue to drive for a sustainable economic future through our future of financial advice (superannuation reforms) advocacy agenda.

Maintain and drive thought leadership in risk management, governance and non-financial reporting/sustainability as organisations navigate new social and economic landscapes.

Remain committed to championing education as a key economic factor and as a means to tackle the skills shortages.

Actively comment on issues of the day through the lens of governance, risk management, business leadership, ethics and public interest.

**REVISED CPA
PROGRAM MOVES
WITH THE TIMES**

PG 25

**ANYWHERE,
ANYTIME
DISCUSSION**

PG 22

**EXPANDING HORIZONS –
SUPPORTING EMPLOYEES
THROUGH THE CPA
PROGRAM**

PG 38

**TURNING 'WHAT
IS' INTO 'WHAT IS
POSSIBLE'**

PG 28

**CPAs HAVE WHAT
IT TAKES**

PG 11

Strategic thinking beyond the numbers

Access to knowledge and the ability to see the bigger picture behind the numbers gives you a competitive advantage.

That's why CPA Australia consistently seeks to help members unlock their potential by providing training and knowledge networks to inform, inspire and energise.

The value and potential of your CPA Australia membership is what makes you different. Use it.

What
makes
you
stand
out?



MEMBER RESOURCES



Providing user-friendly and innovative ways to access and exchange knowledge helps members develop skills, retain currency and leverage valuable connections.

Members want access to high-quality knowledge that keeps them current, enhances their skills and makes them better professionals. CPA Australia aims to provide access to the best information and resources in a variety of publications and formats to meet the wide range of members' needs.

New website improves user experience

CPA Australia redeveloped our website in 2010 resulting in improved usability, higher usage and better access to information. The redevelopment followed a design process that researched how users navigated the site and involved feedback from focus groups involving 200 members, potential members and other users. The number of unique web pages containing information was reviewed and cut from 10,000 to 3,000 to enhance the user experience.

Member response has been positive with feedback showing the revised site is more appealing and easier to use. To date there have been more than four million visits, almost 30 million page impressions, and a 15 per cent increase in website engagements such as unique visits, pages viewed per visit and length of time per visit.

Our redeveloped website won international acclaim with a gold award for the Best Professional Services website at the W3 International Academy of the Visual Arts Awards, honouring creative excellence on the web.

Online communities provide a forum for in-depth discussion

As part of our website redevelopment, CPA Australia launched a series of knowledge portals and online communities of practice during 2010. The take-up by members of these services was well ahead of projections with members reporting that they appreciated the opportunity to access knowledge at times and locations that suited them.

Knowledge portals are a 'one-stop shop' where members can access a range of information and resources relating to

particular topics such as auditing and reporting, practice management, environment, social and governance issues, taxation, financial planning, and leadership and management. All of CPA Australia's related submissions, professional development events, podcasts, toolkits and library resources can also be accessed from this one convenient location.

Community+, our online communities, are a free service for members who wish to engage in dialogue with other members interested in topical issues. Members and CPA Australia staff interact in a moderated online environment and debate, discuss and learn about issues affecting the profession. Growth in member participation in Community+ has been very strong.

Career guidance system helps expand horizons

Since its launch in November 2009, the online career guidance system has attracted a keen following from members interested in developing their capabilities relating to technical, leadership, business and personal effectiveness skills. The system is designed to help members and employees better understand their current competencies and identify areas to develop.

During 2010, more than 2,000 people took the opportunity to use the career guidance system to make informed decisions about their education and career. The career guidance system also highlighted the areas and skills that members selected as the ones they most want to develop and this has informed the development of CPA Australia's professional development calendar, online resources and stories for INTHEBLACK and other publications.

Anytime, anywhere discussion



Michael Sewell, FCPA

CEO Market Gap Investments
Facilitator Community+ online
forum – sustainability

I'm passionate about sustainability and non-financial reporting, not just because it forms part of my work but because I really do believe accountants play a critical role in helping organisations become more sustainable. It's the future for accountants. When you think about it, we bring a lot to non-financial reporting – experience in managing resources, measuring, monitoring, improving, providing rigour and process, governance – the list goes on.

This year Community+, a new online discussion forum was launched. It's a great concept, allowing members to connect with each other on issues like sustainability and a way to put views out there and get a rich discussion going.

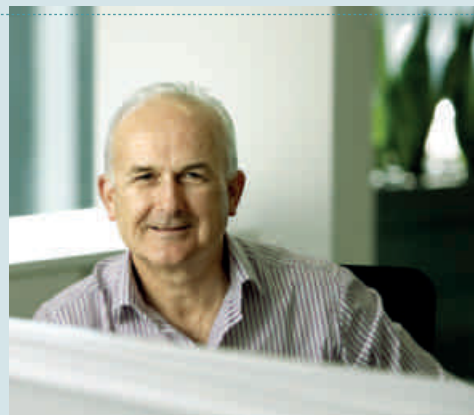
As part of Community+ you get diversity of opinion and that's important. If I want information or to get a pulse check on an issue, I'll log on and start a conversation – even from my laptop!

With a topic like sustainability and non-financial reporting, it's important to not just get the technical or compliance-based view, but to get rich discussion occurring. As part of Community+, we've been able to canvass questions such as:

- What ideas do members have?
- What do CPA Australia policy staff think?
- What are the solutions?
- What are some of the challenges for accountants who are pushing organisations towards a more sustainable future?

Community+ provides a way to debate and get in among an issue and can be very informative. Yes, it's different from face-to-face discussions, but it can connect you to people or experts you normally wouldn't have access to for reasons of time or geography or simply because you may not have previously known the person exists!

I look forward to seeing Community+ evolve. It's a great way to get people energised. I think more and more members will get involved in Community+ over the years. I encourage members who are interested in connecting, learning and sharing through these forums to jump on via the CPA Australia website. I'd love to hear your thoughts and ideas on sustainability!



MICHAEL SEWELL, FCPA

In 2011 CPA Australia will:

Relaunch INTHEBLACK magazine to expand interest and readership across business and industry.

Further develop the CPA Australia website and invest in new technologies.

Enhance our use of social media, including Facebook, YouTube and Twitter, among members and potential members.

Promote the career guidance system to a range of employers to assist them in developing their staff.

Relaunch *Australian Accounting Review* (AAR) to better meet the needs of the academic community.



EDUCATION
AND CAREERS

- + CPA Australia is committed to upholding the highest professional standards and producing strategic business leaders with an internationally recognised qualification that enhances their careers.

Revised CPA Program moves with the times

After extensive engagement with business, academia and members, the CPA Program was renewed in 2009 to ensure that aspiring CPAs develop the capabilities required to stand out in today's competitive business environment.

The first intake for the renewed program was in 2010. The program provides candidates with a breadth of learning, combining the highest standards of rigour in traditional accounting areas while also covering areas such as strategy, leadership and international business. Additional emphasis on the structured practical experience component of the CPA Program also allows candidates to integrate theory and practical experience.

Surveys conducted to gauge candidate satisfaction with new segments have shown the changes to the CPA Program have been positively received with a 77 per cent satisfaction rating among candidates.

Expanded eligibility attracts more professionals

This year more people became eligible to demonstrate their capacity to become a CPA, with the introduction of the CPA Program's foundation level examinations for people with a degree or postgraduate qualification in a discipline other than accounting.

To uphold the high standards of being a CPA, foundation level candidates are required to undertake a thorough examination and certification process.

In its first year of operation, the foundation level significantly exceeded projections, reinforcing that there is a strong demand for the CPA designation and the recognition that it provides for people with a variety of educational and work experience backgrounds. This means more people will be able to enter the accounting profession and fill the predicted accounting skills shortage in the future.

Helping students catch a big break

CPA Australia has continued its commitment to provide university students with opportunities to develop their business acumen and creativity through 'The CPA Big Break' project and internship opportunities.

'The CPA Big Break' project competition was launched for the first time in 2010, and required students to analyse and advise on a real-world business challenge currently facing Room to Read, a global not-for-profit organisation. In addition to generating interest in accounting careers, 'The CPA Big Break' project provided a range of prizes and assisted in the development of strategies for Room to Read to adopt.

To support the accounting graduate pipeline, CPA Australia's internship opportunities enabled members and passport students to secure 726 work experience opportunities with organisations across the globe. The number of placements available doubled from 2009, and provided opportunities to the CPAs of tomorrow to gain relevant and valuable work experience today.

CPA Congress goes global with record attendance

CPA Congress 2010 set new heights for member engagement with our flagship event involving 12 cities, eight weeks, five time zones, three continents, 350 speakers, 10,500 attendees (approximately 1,100 of whom were virtual attendees) and a multitude of networking opportunities for members.

Themed 'Navigate the New', CPA Congress explored a wide range of views on market volatility, the opportunities and challenges

accounting and business professionals face and the new political, economic, regulatory and tax reform landscape.

CPA Congress delivered knowledge sharing and networking opportunities, as well as connections to industry and thought leaders including Head of Financial Stability for the Reserve Bank of Australia, Dr Luci Ellis, and Chairman of LECG Global Financial Services, William Isaac.

For the first time, Virtual Congress, an interactive online conference, brought leading speakers and sessions from Congress direct to members' desktops. More than 1,100 people took up the opportunity to attend Virtual Congress from locations across the globe.

Planning for CPA Congress 2011 is well underway, and members should look forward to a relevant, contemporary program with the theme 'Strength through Experience'.



CPA Congress 2010

Supporting senior CPAs – Business Outlook and CFO Advance

To further support senior CPAs, in February 2010 CPA Australia launched its first Business Outlook conference, an exclusive one-day conference for senior executives to discuss the critical global issues facing business today. The forum featured a line-up of high-calibre speakers including Dr Jonas Ridderstrale, a world-renowned business thinker and speaker who ranked 23rd globally in the 2009 Thinkers 50, and former Treasurer of the Commonwealth of Australia, Peter Costello.

In August 2010, CPA Australia launched CFO Advance, a five-day residential executive education professional development program created specifically for high-performance managers and executives.

CFO Advance focuses on leadership and change management skills, as well as the implementation of sustainable strategies designed to build organisational value. The program covers both the financial and leadership skills inherent in the CFO role.

To develop the program, CPA Australia sought input from a range of members who are CFOs about the important issues they're facing in their roles.

CFO Advance faculty were selected from the University of Chicago Booth School of Business and included Clinical Professor of Finance at Chicago Booth Kevin Rock and Professor Emeritus of Behavioural Science Joshua Klayman. CFO Advance 2010 was well received by attendees, all of whom are working as CFOs or equivalents in private and public companies in Australia and New Zealand.



Head of Financial Stability
for the Reserve Bank of Australia,
Dr Luci Ellis

CPA CONGRESS 2010 SET NEW HEIGHTS FOR MEMBER ENGAGEMENT WITH OUR FLAGSHIP EVENT INVOLVING 12 CITIES, EIGHT WEEKS, FIVE TIME ZONES, THREE CONTINENTS, 350 SPEAKERS AND 10,500 ATTENDEES.

Turning 'what is' into 'what is possible'



Aaron Gupta, ASA

Business Banking Products Manager
Bendigo and Adelaide Bank

My tertiary experience began with a

focus on engineering, but as someone who has always excelled in maths, it didn't take me long to realise that the program planning components of an engineering career weren't taking the fullest advantage of my numeracy skills!

So I shifted to a major in finance and then went on to complete a Bachelor of Finance, Bachelor of Economics and a Master's in Applied Finance.

I kicked off my career working in a private accounting practice for one year, and then was fortunate to gain the role of Financial Modeller with Bendigo and Adelaide Bank. This position progressed me into the role of Management Accountant which led to my current job of Business Banking Products Manager.

Given my career and background in finance, I've always wanted to obtain my CPA designation but was previously not able to do so as I hadn't completed an accounting major.

Since the flexible entry requirements of the CPA Australia Program were introduced in 2010, I've been able to apply my credentials toward achieving the CPA designation. I've completed all foundation levels of the CPA Program and now I'm well into the professional level component of the program.

The CPA Program not only provides me with a valuable qualification, but it also aligns with the MBA I'm presently completing with the University of South Australia.

One of the greatest benefits of the CPA Program is that it isn't exclusively accounting-concentrated. The business and leadership skills I am gaining will result in a well-rounded education that will enhance what my professional background offers. The program's flexibility allows for the opportunity of a life/work/study balance which is critical in achieving personal success and enjoyment in all facets of life.

With the opportunities that my CPA qualification will offer, I hope to explore future business and strategy development opportunities, as allowed for by a very solid background in accounting/finance analysis and future development of greater business skills.



AARON GUPTA, ASA

In 2011 CPA Australia will:

Provide more flexibility and options for CPA Program candidates, with additional education study resources to be launched and greater choices in dates available to undertake foundation level exams.

Partner with tuition providers to ensure that those candidates who wish to learn in a classroom or online setting can supplement the distance learning method.

Increase elective choices for professional level study, with a Malaysian taxation segment being made available for the first time.

Invest in a learning management system upgrade to improve your member experience when you undertake training courses or online learning opportunities.

Continue to host a range of events relevant to your knowledge needs such as CPA Congress, Business Outlook, Public Sector Conference, CFO Advance and the CAPA Conference.



PARTNERSHIPS
AND COMMUNITY

- + We're determined to keep developing partnerships that help CPAs gain recognition around the world. At a local level, partnering with the community is just as important.

AS A PROFESSIONAL ACCOUNTING BODY WE UNDERSTAND THE POWERFUL AND POSITIVE IMPACT THAT GOOD ECONOMIC MANAGEMENT, GOVERNANCE AND ETHICS CAN HAVE ON COMMUNITIES.

Building the profession in developing economies

In collaboration with AusAID, CPA Australia's International Partnerships Program (IPP) has supported future leaders of the accounting profession from developing and transition economies in the Asia-Pacific region to complete an accelerated 15-week intensive program in Australia. On completion, the IPP students finish the remaining CPA Program subjects from their home country.

In 2010, 31 students from Cambodia, China, Laos, Mongolia, Papua New Guinea, Samoa, Solomon Islands, Sri Lanka and Vietnam completed the four compulsory segments of the CPA Program in Australia, learned about Australian systems of government, regulatory oversight and tax administration, and had the opportunity to work with and learn from CPA Australia staff and members.

By building the professional capabilities of these students, CPA Australia helps communities throughout the region strengthen their capacity for future economic sustainability.

Maintaining global connections

Mutual Recognition Agreements (MRAs) were renewed with the Hong Kong Institute of Certified Public Accountants and the Institute of Certified Public Accountants in Singapore during 2010, demonstrating the global reach of the CPA designation and the global standing of our certification standards. These MRAs provide members with the ability to become members of other professional accounting bodies around the world on favourable terms, and access to a range of education and membership services.

In addition, 2010 saw the signing of Memoranda of Understanding with each of the Mongolian Institute of Certified Public Accountants, the Chartered Tax Institute of Malaysia and Dongbei University of Finance and Economics in China.

International partnerships provide opportunities for collaborative advocacy, knowledge exchange and expanded global networks. They enhance members' professional recognition and provide members with the opportunity to grow their careers internationally. CPA Australia now has international partnerships with bodies in Asia, Europe and North America.

Disaster recovery expertise helps communities in need

CPA Australia employees and members continued to lend a helping hand and acted as a source of valuable and practical advice during natural disasters, such as the Christchurch earthquake and the rebuilding of bushfire affected areas in Victoria.

Building on the efforts of the many members who ran recovery educational sessions for Black Saturday affected businesses in 2009, CPA Australia made available its Disaster Recovery Toolkit to communities in disaster affected areas. Businesses who needed to make decisions about their future and get through a difficult period were able to use simple toolkits that include checklists for re-opening during times of financial difficulty as well as tools to help reconstruct financial records.

Christchurch's earthquake occurred at a critical time in the CPA Program semester, and CPA Australia provided support to affected candidates by rescheduling exams to allow additional study time and ensuring that candidates were able to physically undertake their exams.

CPA Australia's Victorian General Manager Cris Massis continued to chair the Marysville Economic Leadership Group to assist small and medium-sized businesses to return to pre-fire operating levels.

[FOR MORE INFORMATION ON THE WORK OF CPA AUSTRALIA IN THE COMMUNITY, SUCH AS OUR WORK WITH MISSION AUSTRALIA ON FINANCIAL LITERACY OR OUR ENVIRONMENTAL PERFORMANCE, READ OUR SUSTAINABILITY REPORT ACCESSED VIA \[CPAAUSTRALIA.COM.AU\]\(http://CPAAUSTRALIA.COM.AU\)](#)

In 2011 CPA Australia will:

Continue to develop relationships to progress financial literacy in the community.

Reinvigorate its participation in the Confederation of Asia-Pacific Accountants (CAPA) and the ASEAN Federation of Accountants (AFA) to ensure that members' interests are well represented in regional forums.

Promote the Disaster Recovery Toolkit to affected communities throughout Australia and assist in recovery and community building initiatives.

Expand international relationships through Mutual Recognition Agreements and Memorandum of Understanding arrangements.



OUR
PEOPLE

- + CPA Australia provides service to members through its people. Developing our people and providing rewarding careers and flexible work conditions helps CPA Australia attract and retain the people who will make a difference to members.

New organisational structure positions CPA Australia for the future

With an increasingly competitive environment, changes in technology, exponential growth in the availability of information, and emerging generational differences in the way in which people consume content, the external environment in which CPA Australia operates has never been more changeable. To ensure that we remain able to best serve members' needs into the future, CPA Australia implemented a new organisational structure in 2010. The new structure is more aligned to the activities that underpin our core business and will ensure that member engagement continues to be a key focus. The new structure will also allow our people to strengthen relationships with stakeholders such as employers, academics and students.

The new structure saw the creation of a new portfolio 'Business Development' and the merging of External Affairs, Organisational Development, Human Resources, Policy and Research and Planning and Analysis into a combined 'Strategy' portfolio. Existing portfolios such as Member Engagement, Brand, Marketing and Communications, Member Knowledge and Corporate Services remain in the structure to ensure member service continues to be central to CPA Australia's operations.

The new structure presented 12 per cent of employees with internal promotional opportunities, ensuring that we are able to retain our most talented people.

Our employee profile

At 31 December 2010, the average number of full-time equivalent (FTE) employees was 436, compared with 464 at 31 December 2009. This change was a result of active management of headcount to enable greater efficiencies and also redundancies from the new structure.

Although the year ended with lower FTE employees, the number of people employed in our Member Advisory and Information Service (MAIS) to directly serve our members increased by 11 per cent.

As the year ended with fewer employees, managing and adapting to new workloads for existing employees was a challenge for CPA Australia. To address this issue we are focusing on the recruitment of new employees to fill budgeted positions, induction, and the attraction and retention of new employees at CPA Australia.

CPA Australia's portfolios

- ✦ Strategy
- ✦ Member Engagement
- ✦ Brand, Marketing and Communications
- ✦ Business Development
- ✦ Member Knowledge
- ✦ Corporate Services

**Executive
management
group**



ALEX MALLEY, FCPA
Chief Executive Officer



ADAM AWTY, CPA
Chief Financial Officer
and Company Secretary



PAUL WAPPETT
Executive General Manager
Strategy



TONY GLEESON
Executive General Manager
Member Knowledge



JEFF HUGHES, FCPA
Executive General Manager
Member Engagement



MIKE ADLAM
Executive General Manager
Brand & Marketing
Communications



ROB THOMASON
Executive General Manager
Business Development

Improving our diversity

We understand that the diversity of our people helps the organisation perform better through the ability to tap into a variety of experience, cultural insights and thinking styles that mirrors the breadth of our membership base. This allows us to understand our members better and to provide better service.

Given our organisation represents members from around the world, our people are situated in a variety of locations and come from a variety of cultural backgrounds. As with our membership, we are proud of the richness of background of our people.

Currently, 69 per cent of our workforce worldwide is female. The gender diversity of our workforce has remained steady since 2009. CPA Australia continues to provide flexible work arrangements such as part-time, job share and working from home options for all of our employees.

The Nominations and Remuneration Committee of the Board recently reviewed our approach to ensure greater female representation among our committees. Female representation at the Board and committee level in 2010 continued to meet the 25 per cent minimum target set by the Board in 2009.

Our sustainability report takes you through our initiatives, statistics and results in the area of diversity.

[FOR MORE INFORMATION ON DIVERSITY METRICS AND PEOPLE-RELATED INFORMATION READ OUR SUSTAINABILITY REPORT ACCESSED VIA CPAAUSTRALIA.COM.AU](#)

Health and safety incidents remain low

CPA Australia remains committed to ensuring the health, safety and welfare of our employees, members and others affected by our operations. Our health and safety policy outlines the occupational health and safety (OH&S) procedures for all employees and independent contractors included on our payroll.

CPA Australia's OH&S committee meets twice quarterly and provides a joint forum for consultation between management and employees to review accidents and unsafe workplace practices.

In 2010 there were 13 OH&S incidents including nine injuries, one near-miss, two illnesses and one journey/vehicle incident. There were no equipment/damage incidents reported.

The average number of working days lost as a result of sick leave per person during 2010 was 5.36 days, down from 6 days in 2009. There were no occupational diseases or work-related fatalities. In 2011 we will conduct workplace inspections at all operations to ensure that all offices are consistent with legal requirements with regard to electrical and office equipment, obstructions, fire safety, and storage and ergonomic issues.

Expanding horizons –
supporting employees
through the CPA Program

Anna Yip, CPA

Financial Accountant, CPA Australia
Achieved CPA designation in 2010

I've been at CPA Australia for just over six years. In my time at CPA Australia I've had several roles, and I've been well supported to progress my career. Now I'm on maternity leave, and when I return I'll be working as a Financial Accountant or a related role.

At university we were strongly encouraged to become a CPA, and back then I had no idea I was going to end up working for CPA Australia! Even if I wasn't a CPA Australia employee, I would have still done the CPA Program.

I've always wanted to be a CPA. I started in a casual role in member services while at uni. When I finished my degree, a position came up in finance at CPA Australia. I jumped at the chance because I knew CPA Australia supported their people to do the CPA Program.

I'm grateful for the opportunity CPA Australia has given me as an employee, and I think having the designation will help me with my career in the future. It's a fantastic employee benefit and development opportunity.

Finishing the qualification this year was really rewarding. My favourite subject was business leadership and strategy because we got to do quite a lot of real-life case studies and stretch our minds well past the numbers. It was really satisfying to go and apply the learning back at work!

Over the years you adapt to work and study, although as many of our members know you have to push yourself on the program and have good time management!

I was lucky as my manager and the organisation supported me 100 per cent while I studied. I was able to take study leave, and my CPA Program mentor CFO of CPA Australia, Adam Awty, made sure I was stretching myself. He had me shadowing in some audits and business systems work to make sure I was connecting my strategy experience with practice.

It's been an interesting journey going through the CPA Program, and I'm really glad I got the opportunity to do it.



ANNA YIP, CPA

Increasing service capability to deliver for members

More than half of CPA Australia's employees participated in workshops during October and November 2010 with the objective of engaging our people in customer service and driving the development of a member service charter, and appropriate behaviours and actions to support the charter. In 2011 workshops and staff training on member service will continue.

Education assistance

Employees' postgraduate study is supported in line with role requirements. During 2010, 16 employees participated in the CPA Program. In addition, 23 employees received education assistance in the form of reimbursement of higher education course costs and materials, and time off to study and sit for exams.

LOOKING FORWARD

Conduct workplace inspections at all sites.

Implement a new remuneration framework to enhance market competitiveness.

Launch enhanced tools for managers in performance and rewards process, to support them in supporting and growing our people.

Participate in research about best practice workplaces to ensure that the physical environment, resources, training and culture that employees enjoy allow them to best serve members' needs.



BOARD OF DIRECTORS

Low Weng Keong, FCPA

President and Chairman of the Board

Low Weng Keong is a company director who retired in 2005 from Ernst & Young Singapore where he was a Country Managing Partner. He currently sits on the boards of a number of listed companies.

Weng became President of CPA Australia in October 2010. He has served on the CPA Australia Singapore Divisional Council since 2003 and was appointed a Vice President of the Board in 2006 and Deputy President of the Board in 2007. Weng is a member of the Nomination & Remuneration Committee, of which he is also past Chair.

John Cahill, FCPA

Deputy President

BBus, GDip Bus (Acc), GAICD

John Cahill has more than 25 years' experience working in the energy utility sector in treasury, finance, accounting and risk management and was previously CEO of Alinta Infrastructure Holdings and CFO of Alinta Ltd.

John holds a number of non-executive directorships and 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 Divisional President. He was appointed a Board Director in 2007 and is currently Chair of the Finance Committee and a member of the Nomination & Remuneration Committee.

Penny Egan, FCPA

Deputy President

BBus (Acc), GAICD

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 forestry industry.

Penny has served on the Tasmanian Divisional Council since 2001 and became its President in 2004. Penny was appointed a Board Director in 2005 and was elected as a Deputy President in 2010. She is also Chair of the Audit & Risk Committee.



LOW WENG KEONG, FCPA



JOHN CAHILL, FCPA



PENNY EGAN, FCPA

Simon Bird, FCPA

BCompt (Hons), FAICD

Simon Bird is CEO of ASX listed King Island Scheelite Limited and a Non-Executive Director and Chair of the Audit Committee of ASX listed Metals Finance Corporation. He was formerly CFO of retail property group Stockland Limited and CFO of GrainCorp Limited.

Simon's 29-year professional career in Australia, Africa and Europe has also included six years at PricewaterhouseCoopers and roles in the resources, financial services, property, infrastructure and agricultural service industries.

Simon was appointed a Board Director in 2009 and sits on the Finance Committee.

Jim Dickson, FCPA

Jim Dickson has more than 20 years' experience in the accountancy profession and its development, both in Australia and internationally, having been involved with CPA Australia for over 20 years.

Jim is Deputy Chair of IFAC's Compliance Advisory Panel and a long-standing advocate for monitoring the standards of the profession globally.

Jim was appointed a Board Director in 2010 and sits on the Policy Governance Committee.

Peter Dowling AM, FCPA

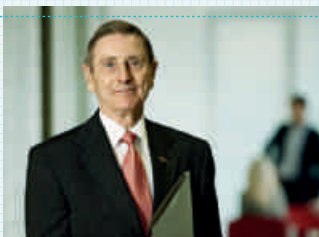
Peter Dowling holds a number of directorships across the finance, insurance, resources and technology sectors. He is also Chair of the Audit and Risk Committees for several government organisations.

Peter is a former Partner of international accounting firm Ernst & Young in the tax and business advisory area. He is a Member of the Order of Australia and a Centenary of Federation Medal recipient for services to accounting.

Peter was appointed a Board Director in 2010 and sits on the Policy Governance Committee.



SIMON BIRD, FCPA



JIM DICKSON, FCPA



PETER DOWLING AM, FCPA



Christina Foo, FCPA

BBus (Acc), CA (Msia)

Christina Foo is Managing Director of Priority One, a consulting firm providing strategic business building solutions. A former Director of Ernst & Young in Malaysia, she has over 20 years' experience in professional services and the private sector.

Christina is a past President of the Malaysian Division and is the Vice President of the Malaysian Institute of Accountants. She also serves on numerous boards including the Confederation of Asian and Pacific Accountants and was recently appointed to IFAC's Small and Medium Practices Committee.

Christina was appointed a Board Director in 2007 and serves on the Finance Committee.

Mark Grey

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

Mark Grey is CEO of Queensland Eye Hospital. He was formerly the CEO of Batey/Redcell in Hong Kong and the Global Business Communication Director for Singapore Airlines.

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 Audit & Risk and Finance Committees.

Professor Richard Petty, FCPA

BBus (Acc), BCom (Hons), MCom (Hons), PhD, CMA, MFP

Richard Petty is Professor in Management at Macquarie Graduate School of Management and also Chairman of an investment company headquartered in Hong Kong.

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, served as Deputy President from 2007 to 2009 and as President from 2009 to 2010. He is currently Chair of the Nomination & Remuneration Committee.



CHRISTINA FOO, FCPA



MARK GREY



PROFESSOR RICHARD PETTY,
FCPA

Kerry Ryan

LLB, BA, GAICD

Kerry Ryan is Special Counsel at international law firm Norton Rose and has more than 15 years' experience as a corporate and commercial lawyer in Australia and Asia.

Kerry has assisted companies expand into new markets and acted as External General Counsel for multinational companies in Australia and throughout Asia. She is also a member of the International Legal Services Advisory Council which promotes the interests of Australian legal and related services internationally.

Kerry was appointed a Board Director in 2007 and sits on both the Audit & Risk Committee and Nomination & Remuneration Committee.

Bruce Trebilcock, FCPA

MBA, FAICD, FCIS

Bruce Trebilcock has more than 40 years' experience across a number of industries including manufacturing, food and agribusiness, banking and finance, defence contracting and electronics.

He is a Director of Trident Jet and Anglicare South Australia, and Divisional Councillor of the Australian Institute of Company Directors in South Australia.

Bruce 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 and sits on the Audit & Risk and Policy Governance Committees.

Graeme Wade, FCPA

BBus (Acc)

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, specialising in mergers and acquisitions and the agribusiness sector. Graeme has also provided advice to the Australian Government for many years.

Graeme has served on Victorian Divisional Council and is a past Victorian President. He was appointed a Board Director in 2006. He is Chair of the Policy Governance Committee.



KERRY RYAN



BRUCE TREBILCOCK, FCPA



GRAEME WADE, FCPA

Disclosure required by the ASX CGC principles and recommendations

Functions reserved to the Board and those delegated to management	See Role of the Board on page 45
Skills, experience and expertise relevant to the position of Director	See Board of Directors on page 45
Names of Directors considered by the Board to constitute independent Directors and CPA Australia's relevant thresholds	See Principle 2 on page 46
Procedure for independent professional advice	See Board of Directors on page 45
Directors' terms of office	See Board of Directors on page 45
Nomination and Remuneration Committee members and meeting attendance	See Meetings of Directors on page 57
Composition of Board, chair and role of chair and CEO	See Board of Directors on page 45 and page 46
Code of Conduct for Directors and Executives	See Code of Conduct on page 48
Audit and Risk Committee members and their qualifications	See Board of Directors on page 48
Audit and Risk Committee meetings and attendance	See Meetings of Directors on page 57
Financial statements sign-off and structure of Audit and Risk Committee	See Audit and Risk Committee on page 48 and Board of Directors on page 45
External auditor	See Principle 4 on page 48
Member communications strategy	See Principle 6 on page 49
Risk oversight committee	See Audit and Risk Committee on page 49
Risk management and internal controls	See Principle 7 on page 49
Performance evaluation	See Board and Executive Performance Reviews on page 50
Company's remuneration policies	See Principle 8 on page 50
Nomination & Remuneration Committee members and attendance	See Nomination & Remuneration Committee and Meetings of Directors on page 50
Retirement benefits for Non-Executive Directors	See Principle 8 on page 50

Corporate Governance Statement 2010

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 report against 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 (Companies should establish and disclose the respective roles and responsibilities of board and management)

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. (Companies should have a board of an effective composition, size and commitment to adequately discharge their responsibilities and duties)

The Board consists of 12 independent non-executive directors (as defined by the CGPR), one member Director from each of the 10 divisions and two external Directors (who are neither members nor employees). 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 72).

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 40 to 43.

Whilst noting that merit will always be the paramount consideration, the Board, through the Nomination and Remuneration Committee, regularly considers diversity issues and are consciously managing the diversity of the Board and its committees. The Board recommends that, where possible, a minimum of 25 per cent of Directors on the Board should be female, which is reflected in the current composition. For further information relating to diversity, refer to CPA Australia's Sustainability Report.

Representative Council

Directors are appointed by the Representative Council. The Representative 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. Its 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. The Chair is a Director.

The composition of the committee and meeting attendance is set out in the notes to the financial statements (see page 57). The same note sets out Directors' attendances at Board and other Board committee meetings.

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 2011, 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 two terms consisting of three 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 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.



Board Committees

The respective compositions and details of meeting attendance of the committees are set out in the Directors' Report on page 57. 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 Board committees are each scheduled to meet approximately four times per year. Attendance at Board committee meetings is set out on page 57.

PRINCIPLE 3:

Promote ethical and responsible decision making (Companies should actively 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 promotes diversity across the organisation with regard to age, gender, ethnicity and the cultural background of its Directors, committee members and employees. For further information relating to diversity, refer to CPA Australia's Sustainability Report.

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 (Companies should have a structure to independently verify and safeguard the integrity of their 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 four independent Directors. It is chaired by an independent Director who is not the chair of the Board.

Specifically, the Audit and Risk Committee assists the Board to discharge its responsibilities for external reporting, external and internal audit and internal control and risk management. There is a mix of accounting, legal and business professionals currently serving on the committee

The Audit and Risk Committee has a formal charter (see website) and its meetings and attendance are set out on page 57.

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 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 four 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 (Companies should promote timely and balanced disclosure of all material matters concerning the company)

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) (Companies should respect the rights of shareholders [members] and facilitate the effective exercise of those rights)

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 (Companies should establish a sound system of risk oversight and management and internal control)

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 and is independent of the external auditor. 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 & Risk Committee.

PRINCIPLE 8:

Remunerate fairly and responsibly
(Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear)

Directors

The Constitution of CPA Australia provides that the Board may approve payments to Directors based on percentages of the Auditor-General's salary. Directors do not receive retirement benefits.

Management

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

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.

The Nomination & 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.

+ COUNCILLORS (AS AT 31 DECEMBER 2010)

AUSTRALIA

Australian Capital Territory

Gerry Lillcrap FCPA, President
Greg Field FCPA, Deputy President
Hawari Badri CPA
Michael Burton FCPA
Sean Ferrari CPA
Geoff Hine FCPA
Tony Marks FCPA
Melissa McClusky FCPA
Monir Mir FCPA
Karen Sheppard FCPA

New South Wales

Andrew Crawford FCPA, President
Dr Margaret Drever FCPA, Deputy President
Gail Fraser FCPA, Deputy President
Simon Chhoeu CPA
Robert Caldwell CPA
Dr Tyrone Carlin CPA
John Corrigan FCPA
Michael Courtney CPA
Ivor David FCPA
Eric Davis FCPA
John Fara CPA
John Horder FCPA
Prof Margaret McKerchar FCPA
Jim Mitchell FCPA
Sharon Portelli FCPA
Cheryl Price FCPA
Rhonda Wheatley FCPA

Northern Territory

David Gomez FCPA, President
Randle Walker FCPA, Deputy President
Steve Balch FCPA, Deputy President
Helen Crafter CPA
Jacqui Dowling CPA
Andrew Green CPA
Andrew Kirkman CPA
Kate Laurence FCPA
Nathan Morsillo CPA
Stuart Reid CPA
Shane Smith CPA
Jyoti Vemuri CPA

Queensland

Gary Waugh FCPA, President
Pamela Pointon FCPA, Deputy President
Louise Cox FCPA, Vice President
Ian Davies FCPA, Vice President
Daniel Abrahams FCPA
Andrew Albury FCPA
Peter Best FCPA
Simon Brodie CPA
Stuart Dunlop FCPA

Mike Gilmour FCPA
Don Graham FCPA
Gerry Maguire FCPA
Paul Monaghan FCPA
Peter Scott FCPA
Loretta Seamer FCPA

South Australia

Joe Princi FCPA, President
Rob Florence FCPA, Deputy President
Mike Richards FCPA, Vice President
Julie Sinclair CPA, Vice President
Natasha Donohue CPA
Peter Flaherty FCPA
Janet Kalivas CPA
David Lawlor CPA
Margaret Lightbody FCPA
Tracy Randell FCPA
Steven Woolhouse FCPA

Tasmania

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

Victoria

Michael Wilson FCPA, President
Joanne Rumble CPA, Deputy President
Jon Aloni FCPA, Vice President
Craig Edwards FCPA, Vice President
Paul McInerney FCPA, Vice President
Dallas Beeston FCPA
Chris Braithwaite FCPA
Mark Busuttill CPA
Anthony Connelly CPA
Lindsay Doig FCPA
Louise Kloot FCPA
Richard Langley FCPA
Alastair McKenzie FCPA
Brendan O'Connell FCPA
Jenny Peachey FCPA
Bruce Porter FCPA
Mike Sewell FCPA
Graeme Wade FCPA
Kylie Walsh CPA
Lance Willie CPA



Western Australia

Rosetta Petrucci CPA, President
Lawrie Tremaine CPA, Deputy President
Terrence Cheong CPA, Vice President
Dale Wilcox FCPA, Vice President
Lisa Bayakly CPA
Claire Bickford CPA
Phil Hancock FCPA
Mark Hunter CPA
Joanne Stampalia CPA
Geoff Woods CPA
Shane Yensch CPA

WORLDWIDE

CHINA

China – Beijing

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

China – Hong Kong

Theresa Chan FCPA, President
Lawrence Fok FCPA, Deputy President
Peter Lee FCPA, Vice President
Stephen Po FCPA, Vice President
Charles Wong FCPA, Vice President
Richard Ho FCPA
Derek Lai FCPA
Roy Lo FCPA
Doug Oxley FCPA
Bernard Poon FCPA
Loretta Shuen FCPA
Patrick Yeung FCPA

China – Shanghai

Lawrence Lau FCPA, President
John Hung FCPA, Deputy President
Telly Chan FCPA, Vice President
Danny Tong FCPA, Vice President
Alison Wong CPA, Vice President
Steve Hui FCPA
Cao Jing CPA
Kenny Lam FCPA
Stephen Lee FCPA
Theo Leung CPA

Dick Tang CPA
Margaret Yang CPA

Europe

David Graydon CPA, President
Anna D'Alessandro FCPA, Deputy President
Adele Littame FCPA, Vice President
Toni Metcalf CPA, Vice President
Adrian Bell CPA
Greg Cristofani CPA
Anne Cutting CPA
Andrew Genrich CPA
Keith Irwin CPA
Michelle Kelly CPA
Sean Lam CPA

Malaysia

Andrew Heng CPA, President
Alex Ooi Thiam Poh FCPA, Deputy President
Josephine Phan Su Han FCPA, Deputy President
Wong Chin Aik FCPA
Gabriel Teo Chun FCPA
Dr Edward Lim FCPA
Chong Aik Lee CPA
Ravi Navaratnam FCPA
Prof Dr Normah Omar CPA
Datuk Dr Mohamed Fowzi Haji Razi FCPA
Lee Chong Leng Shaun CPA
Lam Kee Soon FCPA

New Zealand

David Searle CPA, President
Rod Marvin CPA, Vice President
Craig Anderson CPA
Brian Ashwell FCPA
Mark Fleming CPA
Israel Cooper CPA
Brad Gatehouse CPA
Chye Heng FCPA
Peter Jollands CPA
Ewe Leong Lim CPA
Evan Mael CPA
Dr Carolyn Stringer CPA

Singapore

Chaly Mah FCPA, President
Lisa Liew FCPA, Deputy President
Irving Low FCPA, Deputy President
Bill Bowman FCPA
Tong Gunn Chew FCPA
Wee Jean Lee FCPA
Steven Lim FCPA
Weng Keong Low FCPA
Deborah Ong FCPA
Themis Seward FCPA
Chee Khiang Teo FCPA
Christopher Wong FCPA

+ COMMITTEES (AS AT 31 DECEMBER 2010)

BOARD COMMITTEES

Audit & Risk Committee

Penny Egan FCPA, Chair
Mark Grey
Kerry Ryan
Bruce Trebilcock FCPA

Finance Committee

John Cahill FCPA, Chair
Simon Bird FCPA
Christina Foo FCPA
Mark Grey

Nomination & Remuneration Committee

Prof Richard Petty FCPA, Chair
John Cahill FCPA
Low Weng Keong FCPA
Kerry Ryan

Policy Governance Committee

Graeme Wade FCPA, Chair
Jim Dickson FCPA
Peter Dowling AM FCPA
Bruce Trebilcock FCPA

REPRESENTATIVE COUNCIL

Low Weng Keong FCPA, Chair
Steve Balch FCPA
Dr Tyrone Carlin CPA
Louise Cox FCPA
Andrew Crawford FCPA
Ivor David FCPA
Lindsay Doig FCPA
Karen Frost FCPA
Geoff Hine FCPA
John Horder FCPA
Kim Langfield-Smith FCPA
Chaly Mah FCPA
Michael Martin FCPA
Paul McInerney FCPA
Jim Mitchell FCPA
Diana Pang CPA
Josephine Phan FCPA
Glenn Poole FCPA
Tracy Randell FCPA
Ian Raspin FCPA
Vivian Sun FCPA
Lawrie Tremaine CPA

COMPLIANCE COMMITTEE

Disciplinary Chair Panel

Frank O'Loughlin FCPA, Chair
Daryl Chipperfield FCPA, Deputy Chair
Gaye Mason FCPA, Deputy Chair

ADVISORY COMMITTEES

Insurance Advisory Committee

Robert Eastoe FCPA, Chair
Malcolm Borgeaud FCPA
Anthony Martin FCPA
James Polifrone FCPA
Terry Grace FCPA
Jim McDonald CPA

Quality Review Advisory Committee

Ian Dunn, Chair
Andrew Albury FCPA
Andrew Hoholt CPA
Ernest Wohlsein FCPA
Elaine Mulhuish FCPA

Public Practice Advisory Committee

Ian Raspin CPA, Chair
Malcolm Stewart CPA
Arthur Tateossian FCPA
Peter Knight FCPA
Jude Lau CPA
Lisa Liew FCPA
Gabriel Teo FCPA
Tanya Titman CPA

Professional Qualifications Advisory Committee

Prof Kim Langfield-Smith FCPA, Chair
Peter Barker FCPA
Prof Suresh Cuganesan CPA
Hari Iyer FCPA
Neil Jackson FCPA
Dr Margaret Mc Kerchar FCPA
Deborah Ong FCPA
Dr Kim Len Yap FCPA

International Advisory Committee

Dr Tyrone Carlin CPA, Chair
David King FCPA
Irving Low CPA
Andrew Genrich CPA
Lim Chui Phing CPA

CENTRES OF EXCELLENCE CHAIRS

Taxation Centre of Excellence

Michael Hay FCPA

Retirement Centre of Excellence

Noelle Kelleher CPA

External Reporting Centre of Excellence

Jeffrey Luckins CPA

Environmental Social & Governance Centre of Excellence

Mike Sewell FCPA



COMMITTEES

(AS AT 31 DECEMBER 2010)

OTHER BOARDS AND COMMITTEES

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

Joint Accounting Bodies

Low Weng Keong FCPA
John Cahill FCPA
Penny Egan FCPA
Alex Malley FCPA

ASEAN Federation of Accountants (AFA)

Low Weng Keong 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 International Ethics Standards Board for Accountants (IESBA)

Alice McCleary FCPA

IFAC International Public Sector Accounting Standards Board (IPSASB)

Tim Youngberry FCPA

IFAC Compliance Advisory Panel

Jim Dickson FCPA

IFAC Small-Medium Practices Board (SMP)

Stuart Black FCPA

Confederation of Asian & Pacific Accountants (CAPA)

Geoffrey Applebee 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
Denis Cortese FCPA
Dr Peter Cheung 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
Dr Ken Levy RFD FCPA
Loh, Hoon Sun FCPA
Alex Malley 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

2010 HONOURS

Companion of the Order of Australia

Donald Argus FCPA
Michael Cohen FCPA
Ivan Hoffman CPA
Michael Lee CPA
David Meiklejohn FCPA

Medal of the Order of Australia

Kevin Bockmann FCPA
Wayne Myers FCPA

Member of the Order of Australia

Gregory Boulton FCPA
David Boymal FCPA
John Horgan FCPA
Keith Jameson CPA
James Mein FCPA
Edward Quinlan FCPA
Robert Savage FCPA
Henry Smerdon FCPA
Ian Stanwell ASA

Australian Public Service Medal

Peter Fuhrmann FCPA
Malisa Golightly FCPA
Colin Murphy FCPA

Officer of the Order of Australia

Hieu Van Le ASA



2010



+ Financial report

Report of the Board of Directors

Directors

The Directors submit the annual financial report of CPA Australia Limited (the 'Consolidated Entity') and its controlled entities for the financial year ended 31 December 2010. In order to comply with the *Corporations Act 2001* 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 40 to 43 of the Annual Report, together with their qualifications, experience and special responsibilities. Details of meeting attendance are set out on page 57 and their remuneration is included in Note 17 on page 89.

Company Secretary

The Company Secretary, Adam Awty, BBus (Acc), CPA was appointed on 9 April 2010. He is also Chief Financial Officer and is responsible for the company secretarial, finance and administration, technology and legal and compliance functions. Lisa Nicholson, BSc, LLB, FCIS resigned as Company Secretary and General Counsel on 8 April 2010.

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 \$11,807,000 (2009: \$3,548,000). The consolidated surplus after tax for the year was \$11,325,000 (2009: \$4,077,000).

Review of Operations

A review of the operations of the consolidated entity during the financial year and the results of those operations is contained in the discussion and analysis of the financial results – see pages 62 to 67.

Corporate Governance

The Board of CPA Australia comprises of ten independent non-executive Directors, one from each of the ten divisions and two independent non-executive Directors who are also non-members. During 2010, it met seven times, primarily in Melbourne with one meeting held in Singapore. As at the end of 2010, there were four Board committees of directors. Further information on the governance of the Company is included in the Corporate Governance Statement on pages 44 to 50.

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 on page 57 sets out the number of Board and Board committee meetings held and the number of meetings attended by each Director.

2010 Attendance Register – Board of Directors and Board Committees

Directors	Board of Directors		Nomination & Remuneration		Audit & Risk		Finance		Policy Governance	
Number of meetings held	7		8		4		4		4	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
S. Bird ¹	7	6					4	4	3	3
J. Cahill	7	7	8	8			4	4		
S. Chapman ²	5	5					2	2		
P. Cooper ³	5	5					2	2		
J. Dickson ⁴	2	2							1	1
P. Dowling ⁵	2	2							1	1
P. Egan	7	7			4	4				
C. Foo ⁶	7	7	5	5			4	4	3	3
M. Grey ⁷	7	7	5	5	4	4	2	2	3	3
W. K. Low ⁸	7	7	8	8			2	2		
R. Petty	7	7	8	8						
K. Ryan	7	7	8	7	4	4				
B. Trebilcock	7	6			4	3			4	3
G. Wade ⁹	7	7			3	3			4	4

1. Simon Bird's term on the Policy Governance Committee ended on 30 September 2010

2. Stephen Chapman's term on the Board of Directors and the Finance Committee ended on 30 September 2010

3. Paul Cooper's term on the Board of Directors and the Finance Committee ended on 30 September 2010

4. Jim Dickson's term on the Board of Directors and the Policy Governance Committee commenced on 1 October 2010

5. Peter Dowling's term on the Board of Directors and the Policy Governance Committee commenced on 1 October 2010

6. Christina Foo's term on the Policy Governance and Nomination & Remuneration Committees ended on 30 September 2010

7. Mark Grey's term on the Policy Governance and Nomination & Remuneration Committees ended on 30 September 2010 and his term on the Finance Committee commenced on 1 October 2010

8. Low Weng Keong's term on the Finance Committee ended on 30 September 2010

9. Graeme Wade's term on the Audit & Risk Committee ended on 30 September 2010

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 the consolidated entity working successfully towards the achievement of its objectives and maintaining a breakeven or surplus position in 2011.

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.

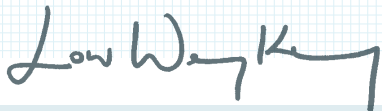
Indemnification of Officers and Auditors

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 59 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.



LOW WENG KEONG FCPA
Director

25 February 2011



JOHN CAHILL FCPA
Director

25 February 2011

25 February 2011

The Board of Directors
CPA Australia Limited
Level 20, 28 Freshwater Place
SOUTHBANK VIC 3006

Dear Board Members

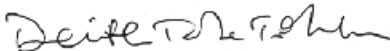
CPA Australia Limited

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 2010, 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 sincerely



DELOITTE TOUCHE TOHMATSU



Peter A. Caldwell
Partner
Chartered Accountants

Overview of Financial Results

FOR THE YEAR ENDED 31 DECEMBER 2010

		2010 \$000s	2009 \$000s
Business Segments			
Membership and Member Value	Revenue	64,788	61,547
	Cost	(31,758)	(30,314)
	Result	33,030	31,233
Training and Development	Revenue	21,415	20,198
	Cost	(18,625)	(17,446)
	Result	2,790	2,752
Education	Revenue	47,865	47,745
	Cost	(23,268)	(24,121)
	Result	24,597	23,624
Brand, Ethics and the Profession	Revenue	1,909	1,971
	Cost	(17,738)	(17,012)
	Result	(15,829)	(15,041)
Business Development	Revenue	599	370
	Cost	(2,931)	(3,269)
	Result	(2,332)	(2,899)
Corporate Services	Revenue	4,048	3,557
	Cost	(31,581)	(35,295)
	Result	(27,533)	(31,738)
Corporate Governance and Committees	Revenue	186	99
	Cost	(4,566)	(4,482)
	Result	(4,380)	(4,383)
Total CPA Australia	Revenue	140,810	135,487
	Cost	(130,467)	(131,939)
	Net Gain on Sale of Property	1,464	-
	Tax (expense)/credit	(482)	529
	Result	11,325	4,077

The controlled entity and the Company operate 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 left.

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.

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 the 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 represent 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 of the Financial Results 2010

The year in review

In 2010 the organisation invested in and improved member service capability. We continued to provide greater member value through enhancing existing products, delivering some new and innovative ones together with continuing to look internally to improve CPA Australia's operational effectiveness. The focus on efficiency resulted in a significant increase in member enquiry staff while lowering average staff numbers across the business. During the year the organisation put in place more cost effective supplier agreements to ensure value for money was being delivered. These improvements in operational effectiveness coupled with continued strength in top line revenue resulted in the organisation delivering an \$11.8m surplus for 2010 (before taxation).

During the year CPA Australia continued to focus on areas that supported the four key strategic themes of the current corporate plan. In particular we invested in and delivered the following outcomes:

Provide members with ready access to knowledge that enhances their career

- The CPA Australia website was relaunched. The new website was designed to enhance member usability, while at the same time providing increased access to on-demand information and knowledge products.
- CPA Australia's flagship conference event CPA Congress was expanded, with 12 Congresses held in an eight-week period (including 4 outside Australia), resulting in an increased participation rate of over 10 per cent.

- Congress also expanded further into the online training world, with Virtual Congress offered for the first time, enabling delegates to login from anywhere in the world and view leading speakers and sessions from the 12 physical congresses. As a result, for the first time in our long history, every member had the opportunity to be part of the Congress experience, wherever they are located.
- Two new events were launched in 2010 which were aimed at our C-suite members in Business Outlook and CFO Advance. Business Outlook is an exclusive one-day conference for top executives that brings together local and international business leaders to discuss the critical global issues facing business today. CFO Advance is an interdisciplinary five-day residential program that gives senior finance executives the analytical framework, insights and tools to successfully propel company growth whilst enhancing their career outcomes.
- CPA Australia continued to invest in member access to knowledge via webinar availability. This resulted in a three fold increase in the number of webinars provided and member participation increasing by over 120 per cent.

Build the CPA Australia brand

- The value of the CPA designation continued with the launch of the new advertising campaign which targeted the value of CPAs to employers. This campaign resonated well with members and employers alike.

- Member interests and the interests of the profession and the community continued to remain a focus with CPA Australia providing input and thought leadership on a number of key policy issues during 2010 including the Henry Tax Review, Future of Financial Advice forums and the Australian federal election.
- CPA Australia was a gold sponsor at the World Congress of Accountants in Malaysia which positioned our brand on a global stage within the entire accounting profession.
- The organisation broke new ground during 2010 with CEO Alex Malley hosting Evo TV's *The Bottom Line* program interviewing some of Australia's best known leaders in business, politics and the community.

Provide a CPA Program and entry pathways that are globally competitive

- In 2010 the revised CPA Program was implemented. The new program now offers additional pathways to become a CPA and provides enhanced quality and focus across all elements of the program.

Develop organisation capability

- A new organisational structure was put in place during 2010. The new structure increases the organisation's focus on member service and business development.
- Additional investment was made in the number of front line staff in the member enquiry area, while delivering a lower average headcount overall for the year across the business.

- The first stage of CPA Australia's core business system upgrade program was delivered, with the core financial management system being upgraded during the year. Significant work on other core business processes and systems was also undertaken in preparation for large scale upgrades in 2011–12.
- There were significant property upgrades to member centres and offices in Sydney and Adelaide.

Detailed Financial Analysis

Income statement

The 2010 financials reflected a strong financial performance across the organisation delivering an operating surplus before tax of \$11.8m (2009: \$3.5m). This was underpinned by increases in all bar one revenue stream and reductions in our operational costs (with significant reductions in corporate services).

Revenue

Overall revenue increased by \$5.3m or 3.9 per cent during 2010. Continued growth in membership, higher take up of the Training and Development offer, and higher investment and sponsorship revenue underpinned the result.

The organisation ended the year with over **132,000** members. The increase in member numbers resulted in an increase in membership revenue of \$3.6m or 6.6 per cent.

Revenue from CPA Australia's training and development offer was \$1.2m or 6 per cent higher than 2009. Stronger sales relating to our expanded Congress offer and higher take-up of our onsite training offer were the key drivers behind the result.

Discussion and Analysis of the Financial Results 2010 continued

Revenue (continued)

Other areas of revenue were in line with the levels achieved in 2009, with the exception of investment revenue which has ended 2010 \$0.5m higher than last year following better market performance and changes to the overall investment policy.

Expenditure

Following a strong focus on the organisation's cost base and the overall allocation of resources to deliver member service and value, expenditure before tax was \$1.5m or 1.1 per cent lower than 2009. There were several factors influencing this result namely a focus on the operational areas of the business resulting in a \$3.7m reduction in Corporate Services costs.

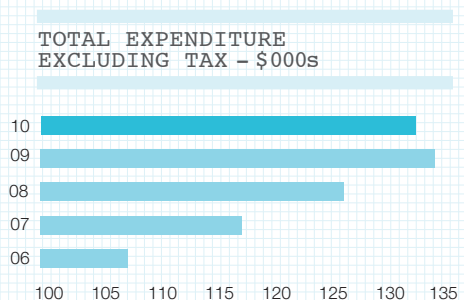
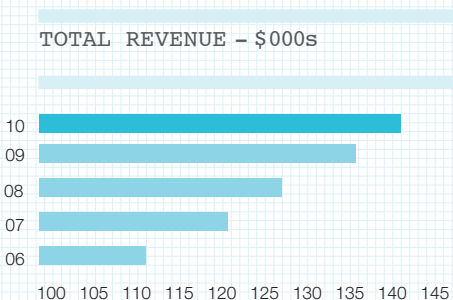
This was delivered through enhanced supplier agreements, a review of our internal policies and procedures and lower external resource utilisation (such as consultants and advisers). In addition occupancy costs were also lower in 2010 as 2009 expenditure was inflated, due to the one-off requirement to pay rent on two buildings in Melbourne during our transition to the new premises.

The expenditure savings in Corporate Services enabled the organisation to invest in the areas of Membership and Member Value and Brand Ethics and the Profession. In particular the areas receiving increased investment were member enquiries, with an 11 per cent increase in front-line enquiry staff, the new website, increased online resources and professional development products, and the new advertising campaign to support the promotion of the new CPA Program and the CPA brand.

Direct costs associated with the Training and Development area were higher, which was a direct result of higher sales in this area.

Taxation

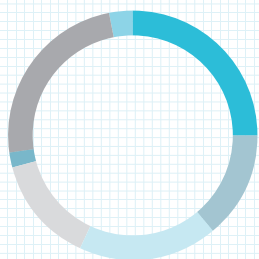
In assessing its income tax liability, CPA Australia applies the principles of mutuality to revenues and expenses. Revenue in the form of member receipts represent mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes.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



CPA Australia's tax expense for 2010 is \$0.5m. This is attributable to improved return on investments, coupled with higher non-member revenue derived from our training and development area. It is expected that CPA Australia will continue to operate on a tax mutual basis.

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 \$0.3m for the full year.



EXPENDITURE BY BUSINESS SEGMENT

25%	Membership & member value
24%	Corporate services
18%	Education
14%	Brand, ethics & the profession
14%	Training & development
3%	Corporate governance & committees
2%	Business development

Cash flow

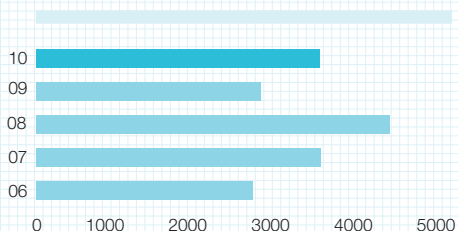
CPA Australia's cash flow and liquidity remained strong in 2010. Although cash and cash equivalents decreased by \$4.7m, net cash flows from operating activities for the year was \$16.7m, \$15.1m higher than 2009.

The net decrease in cash and cash equivalents was due to the significant increase in investment securities as a result of the change in the investment policy. In real terms, the operating cash balance is \$38.6m (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 \$0.5m higher in 2010, and the capital value of the portfolio increased by \$0.4m in 2010 (this has been recognised directly in equity). The increase in investment income during 2010 is attributable to the implementation of the revised investment policy approved by the Board in 2009. The new policy allows CPA Australia to conservatively invest directly or via managed funds in equities and fixed interest investments including corporate debt and cash. CPA Australia appointed Pitcher Partners Investment Services Pty Ltd to manage the portfolio on its behalf.

INVESTMENT REVENUE - \$ 000s



Discussion and Analysis of the Financial Results 2010 continued

Balance sheet

CPA Australia's balance sheet continues to strengthen with net assets increasing by \$11.5m or 31.4 per cent, which is directly attributable to the strong surplus delivered in 2010.

Cash and cash equivalents and other current financial assets have decreased by \$4.7m and \$0.5m respectively which is due to the transfer of funds into longer term investments in line with CPA Australia's investment policy as previously outlined.

Trade debtors and other receivables are \$7.5m lower which is due to a one off leasehold incentive payment not received at the end of 2009, which was received early in 2010. All outstanding revenue is expected to be received early in 2011.

Other current assets are \$0.7m higher than the prior year which is due to higher prepaid expenses.

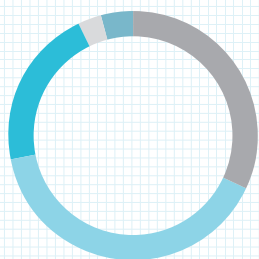
Non-current financial assets are higher than 2009 by \$21.7m which is directly attributable to an increase in investments expected to be held for greater than one year's duration.

Property, plant and equipment has increased by \$2.3m when compared to 2009 which is largely attributable to the renovation of the Sydney office and relocation of the Adelaide office during 2010.

Other non-current assets are in line with 2009.

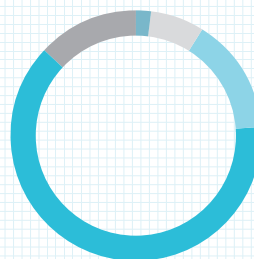
Trade and other payables were lower by \$1.5m or 17.6 per cent than the previous year.

Short term provisions ended the year slightly higher than 2009. This is the result of the higher leave provision required at year end. *Long term provisions* ended in line with 2009.



ASSETS

40%	Other Financial Assets
32%	Cash & cash equivalents
21%	Property, plant & equipment
4%	Other
3%	Trade debtors & other receivables



LIABILITIES

63%	Subscriptions & fees in advance
15%	Trade & other payables
13%	Other
7%	Current provisions
2%	Non-current provisions

Other current liabilities were higher by \$0.7m, which is attributable to price increases associated with CPA Program and Membership paid in advance for 2011 compared to the prior year. The timing of payments by members is in line with last year.

Other non-current liabilities have reduced when compared to 2009 because part of the lease incentive received in 2009 has been amortised to the statement of comprehensive income during 2010.

The year ahead

In 2011 CPA Australia is forecasting a continued surplus before tax and foreign exchange translation, which will drive an increase in the net asset position by year end. It is expected that revenue will continue to increase and the organisation remains focused on its cost base allowing it to invest further in member value and the provision of first class member service. 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. The investment in 2011 will be made in support of the plan's four key strategic themes noted as follows:

Provide members with ready access to knowledge that enhances their career

- ✦ The relaunch of INTHEBLACK, including the development of a digital version.
- ✦ The revamp of the *Australian Accounting Review* to better meet the needs of the academic community.
- ✦ Continuing to build the organisation's flagship conferences including Congress, International Public Sector Convention, Business Outlook and CFO Advantage.

Build the CPA Australia brand

- ✦ The organisation will celebrate its 125th year during 2011.
- ✦ Continue to focus on the brand with a new campaign targeted at potential members. This is due to be launched in early 2011.
- ✦ There will be an improved web presence to support potential members.

Provide a CPA Program and entry pathways that are globally competitive

- ✦ The CPA Program will continue to evolve during 2011 by providing students with greater flexibility and options with additional education resources and greater choice in dates available to undertake the foundation level exams.
- ✦ The CPA Program Professional Level will offer a Malaysian taxation segment for the first time.

Develop organisation capability

- ✦ The organisation's core systems and processes will continue to be upgraded with progressive rollouts throughout the year and into early 2012.
- ✦ The organisation will continue to build on its customer service with the rollout of training across the business.
- ✦ A number of offices will be relocated or renovated throughout the year, in particular, Perth, Auckland, Singapore, London, Shanghai and Hobart. This will enhance member facilities and ensure they are consistent with the rest of the portfolio. With the exception of Canberra this is the final part of an overall property refresh which began in 2008.

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated	
		2010 \$000s	2009 \$000s
Revenue	3(a)	137,237	132,523
Investment revenue	3(b)	3,573	2,964
Gain on sale of property	3(b)	1,464	–
Service expenses		(62,276)	(61,389)
Marketing, promotion and publication expenses		(23,754)	(22,362)
Occupancy expenses		(11,955)	(14,014)
Administration expenses		(27,541)	(29,521)
Finance costs		(28)	(3)
Net foreign exchange loss		(262)	(1,262)
Other expenses		(4,651)	(3,388)
Surplus before income tax	4	11,807	3,548
Tax (expense)/benefit	5(a)(b)	(482)	529
Surplus for the year		11,325	4,077
Other comprehensive income			
Exchange differences on translating foreign operations		(29)	(88)
Net value gain on available-for-sale asset		369	27
Actuarial (loss)/gain on defined benefit plan	20	(124)	416
Other comprehensive income for the year, net of tax		216	355
Total comprehensive income for the year		11,541	4,432

CPA Australia 2010 Financial Statements

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 72 to 102

Statement of Financial Position

AS AT 31 DECEMBER 2010

	Note	Consolidated	
		2010 \$000s	2009 \$000s
Current Assets			
Cash and cash equivalents	6	30,673	35,396
Trade and other receivables	7	3,051	10,594
Other financial assets	6	1,000	1,510
Other	9	2,742	2,062
		37,466	49,562
Non-current assets classified as held for sale	8	–	899
Total Current Assets		37,466	50,461
Non-Current Assets			
Deferred tax assets	5(c)	546	948
Other financial assets	10	36,456	14,727
Property, plant and equipment	11	20,347	18,010
Other	9	349	355
Total Non-Current Assets		57,698	34,040
TOTAL ASSETS		95,164	84,501
Current Liabilities			
Trade and other payables	12	7,074	8,580
Provisions	13	3,419	3,245
Other	14	29,526	28,819
Total Current Liabilities		40,019	40,644
Non-Current Liabilities			
Provisions	13	911	919
Other	14	5,914	6,159
Total Non-Current Liabilities		6,825	7,078
TOTAL LIABILITIES		46,844	47,722
NET ASSETS		48,320	36,779
Members' Funds			
Reserves		328	(12)
Retained surplus		47,992	36,791
TOTAL MEMBERS' FUNDS		48,320	36,779

The Statement of Financial Position Current Assets presentation has changed as a result of a change in the disclosure of 'Bank Bills Less than one Year but Greater Than 90 Days' as Other Financial Assets.

CPA Australia 2010 Financial Statements

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 72 to 102

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated			
	Investments Revaluation Reserve \$000s	Foreign Currency Translation Reserve \$000s	Retained Earnings \$000s	Total \$000s
Balance at 1 January 2009	–	49	32,298	32,347
Total Comprehensive Income for the Year	27	(88)	4,493	4,432
Balance at 1 January 2010	27	(39)	36,791	36,779
Total Comprehensive Income for the Year	369	(29)	11,201	11,541
Balance at 31 December 2010	396	(68)	47,992	48,320

CPA Australia 2010 Financial Statements

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 72 to 102

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated	
		2010 \$000s	2009 \$000s
Cash Flows from Operating Activities			
Receipts from operations		145,658	129,961
Payments to suppliers and employees		(128,969)	(128,395)
Net cash inflows from operating activities	22	16,689	1,566
Cash Flows from Investing Activities			
Payment for property, plant and equipment		(6,294)	(10,891)
Net payments bank bills less than 1 year but greater than 90 days		510	22,010
Net payments bank bills greater than 1 year		2,000	(12,510)
Proceeds from sale of property, plant and equipment		2,363	–
Purchase of Investment Securities		(23,360)	(1,200)
Investment interest received		3,369	3,565
Net cash (outflows)/inflows from investing activities		(21,412)	974
Cash Flows from Financing Activities			
Net Cash Flow from Financing Activities		–	–
Net (decrease)/increase in cash and cash equivalents held		(4,723)	2,540
Cash and cash equivalents at the beginning of the financial year		35,396	32,856
Cash and cash equivalents at the end of the financial year	6	30,673	35,396

The Statement of Cash Flows 'Cash and Cash Equivalents at the Beginning of the Financial Year' for the comparative year have been reclassified as a result of a change in the disclosure of 'Bank Bills Less than One Year but Greater Than 90 Days'.

CPA Australia 2010 Financial Statements

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 72 to 102

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010, there were no 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. Of the new and revised IFRS-equivalent standards, CPA Australia has elected to early adopt AASB 124 'Related Party Disclosures' (2009), AASB 2009–12 Amendments to Australian Accounting Standards; and elected not to early adopt AASB 9 'Financial Instruments' (December 2009), AASB 2009–11 Amendments to Australian Accounting Standards arising from AASB 9.

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 (\$000s) 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 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 25 February 2011.

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 Statement of Comprehensive Income.

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 Statement of Cash Flows 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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 profit 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 as subscriptions and fees in advance 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.

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 Statement of Financial Position. 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 on 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. Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment. 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) 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 Statement of Financial Position)	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 dependent on the assets ability to generate cash flows and it would be replaced if 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 2010. 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 the Group 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

j) Impairment of other tangible assets

At each reporting date, the Group 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, the Group 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.

k) 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.

j) Investments and Financial assets

Controlled Entities

Investments in controlled entities carried at lower of cost and net recoverable amount in the parent company's individual financial statements.

Held to Maturity Investments

Investments such as bonds and term deposits that are intended to be held to maturity are initially measured at fair value less cost and 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 available-for-sale are recorded at fair value through comprehensive income. Revaluation is accumulated in an investment revaluation reserve in equity.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is

under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through comprehensive income, which are initially measured at fair value.

Financial assets are classified into the following categories: 'held-to-maturity' investments, 'available-for-sale' financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

m) 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.

n) Derivative Financial Instruments

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

o) 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. The discount rate used reflects national government securities that most closely match the terms of maturity of the related liabilities.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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 the 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 participate 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 comprehensive income.

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 Statement of Financial Position 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.

p) 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 90 days.

q) Comparative Amounts

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

r) Website Costs

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

s) Critical Judgements in applying the entity's accounting policies

The following are the critical judgements that management has made in the process of applying the Group'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.

3. Revenue

	Consolidated	
	2010 \$000s	2009 \$000s
(a) Revenue from operating activities		
Member subscriptions	58,250	54,664
Education and CPA Program	47,837	47,965
Professional development	21,520	20,304
Other services	4,150	4,107
Marketing, promotion and publications	5,465	5,469
Property	15	14
	137,237	132,523
(b) Other Revenue		
Interest revenue on:		
AAT Loan	18	15
Bank deposits	963	814
Financial assets (held to maturity)	1,983	2,136
Dividends and distributions	609	–
Gain on Sale of Property	1,464	–
	5,037	2,964
Total revenue	142,274	135,487

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2010

4. Surplus and Members' Funds

	Consolidated	
	2010 \$000s	2009 \$000s
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	28	3
Depreciation:		
Depreciation	3,958	3,989
Net (gain)/loss		
Net (gain)/loss on sales of property, plant and equipment	(1,464)	356
Net foreign exchange loss	262	1,262
Employee benefits:		
Defined contribution	3,112	3,092
Defined Benefit Plan	36	136
Salaries and other benefits	39,040	38,654

5. Taxation

	Consolidated	
	2010 \$000s	2009 \$000s
Income tax recognised in Statement of Comprehensive Income		
(a) Tax expense/(income) comprises:		
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	538	(553)
Tax losses not previously brought to account	(136)	-
Refer (c) opposite	402	(553)
Tax expense overseas entities	80	24
Total tax expense/(income)	482	(529)

5. Taxation (continued)

	Consolidated	
	2010 \$000s	2009 \$000s
(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	11,807	3,548
Income tax expense calculated at per cent	3,542	1,064
Surplus attributable to mutual activities and foreign branch expenditure – exempt income	(3,060)	(1,593)
	482	(529)

The tax rate used in the above reconciliation is the corporate tax rate of 30 per cent 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				
	Opening balance 2009 \$000s	Charged to income \$000s	Closing Balance 2009 \$000s	Charged to income \$000s	Closing Balance 2010 \$000s
Assets					
Property, plant and equipment	(15)	81	66	(365)	(299)
Employee benefits	14	97	111	12	123
Provisions	160	198	358	(30)	328
Tax losses	607	(3)	604	42	646
	766	373	1,139	(341)	798
Liabilities					
Accrued income	(371)	180	(191)	(61)	(252)
	395	553	948	(402)	546

(d) Other Comprehensive income items in the Statement of Comprehensive Income have no tax effect.

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2010

6. Cash and Cash Equivalents

	Consolidated	
	2010 \$000s	2009 \$000s
Current		
Cash on hand, at bank and short term bank bills (90 days or less)	30,673	35,396
Bank bills less than one year but greater than 90 days	1,000	1,510
	31,673	36,906

7. Trade and Other Receivables

Current

Trade receivables	1,436	9,520
Less allowance for doubtful debts	(120)	(107)
	1,316	9,413
Other receivables:		
Accrued interest on bank deposits	183	14
Accrued interest on financial assets (held to maturity)	657	624
Other	895	544
	1,735	1,182
	3,051	10,595

The consolidated entity has recognised an allowance for doubtful debts of 100 per cent against all receivables over 90 days except for those debtors/members who at balance date have committed to pay. Historical experience has been that receivables that are past due beyond 90 days are difficult to recover.

Ageing of past due but not impaired

60–90 days	426	62
90–120 days	261	120
Total	686	182

7. Trade and Other Receivables (continued)

	Consolidated	
	2010	2009
	\$000s	\$000s

In determining the recoverability of a trade receivable, the consolidated entity considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Trade receivables consists of a large number of members and customers, spread across diverse industries and geographical areas. The consolidated entity does not have any significant credit risk exposure to any single party or group of counter parties having similar characteristics and the maximum exposure to credit risk is equal to the value of our receivables. No interest is charged on trade receivables.

Movement in the allowance for doubtful debts

Balance at the beginning of the year	107	88
Allowances taken up as doubtful	392	74
Impairment losses recognised on receivables	-	-
Amounts written off as uncollectible	(379)	(55)
Amounts recovered during the year	-	-
Impairment losses reversed	-	-
Unwind discount	-	-
Balance at the end of the year	120	107

8. Non-Current Assets Classified as Held For Sale

Land held for sale	-	400
Building held for sale	-	499
	-	899

9. Other

Current

Defined Benefit Plan	351	395
Prepayments	2,391	1,667
	2,742	2,062

Non current

Loan (at amortised cost)	350	350
Security deposit and other	(1)	5
	349	355

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2010

10. Other Financial Assets

	Consolidated	
	2010 \$000s	2009 \$000s
Bank Bills greater than one year to maturity (at amortised cost)	11,500	13,500
Available for sale assets carried at fair value:		
Listed non-derivative financial assets held for trading	24,472	1,227
Non-listed non-derivative financial assets held for trading	484	-
	36,456	14,727

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

11. Property, Plant and Equipment

	Consolidated				
	Building at cost \$000s	Plant and equipment at cost \$000s	Library books at cost \$000s	Capital work in progress \$000s	Total \$000s
Gross carrying amount					
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 1 January 2010	4,653	29,783	430	-	34,866
Additions	-	5,868	32	394	6,294
Disposals	-	(6,198)	(70)	-	(6,268)
Balance at 31 December 2010	4,653	29,453	392	394	34,892
Accumulated depreciation, amortisation and impairment					
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 1 January 2010	(1,119)	(15,579)	(158)	-	(16,856)
Disposals	-	6,199	70	-	6,269
Depreciation	(93)	(3,779)	(86)	-	(3,958)
Balance at 31 December 2010	(1,212)	(13,159)	(174)	-	(14,545)
Net book value					
At 31 December 2009	3,534	14,204	272	-	18,010
At 31 December 2010	3,441	16,294	218	394	20,347

12. Trade and Other Payables

	Consolidated	
	2010 \$000s	2009 \$000s
Current		
Trade creditors and accruals	7,074	8,580
	7,074	8,580

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	3,101	2,942
Restoration of leased properties	318	303
	3,419	3,245

Non Current

Employee benefits	602	622
Restoration of leased properties	309	297
	911	919
	4,330	4,164

The provision of employee benefits represents annual leave and vested long service leave entitlements accrued and compensation claims made by employees.

Reconciliation of restoration of leased properties

Balance at 1 January 2010	600
Additional provisions recognised	29
Unwinding of discount and effect of changes in the discount rate	(1)
Balance as at 31 December 2010	628

	Consolidated	
	2010	2009
Employee numbers		
Average number of full-time equivalent employees (FTE's) during the financial year	436	464

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2010

14. Other Liabilities

	Consolidated	
	2010 \$000s	2009 \$000s
Current		
Subscriptions and fees received in advance	28,880	28,202
Lease incentive	646	617
	29,526	28,819
Non-Current		
Lease Incentive	5,914	6,159
	5,914	6,159
	35,440	34,978

15. Parent Entity Disclosures

	2010 \$000s	2009 \$000s
Financial Position		
Assets		
Current Assets	62,290	50,306
Non-Current Assets	32,768	34,044
Total Assets	95,058	84,350
Liabilities		
Current Liabilities	39,960	40,594
Non-Current Liabilities	6,807	7,057
Total Liabilities	46,767	47,651
Members' Funds		
Retained Surplus	47,900	36,690
Reserves		
Investment Revaluation	396	27
Foreign Currency Translation	(5)	(18)
Total Members' Funds	48,291	36,699

Financial Performance

	Year ended 2010 \$000s	Year ended 2009 \$000s
Surplus for the year	11,373	4,072
Other Comprehensive Income net of tax	191	376
Total Comprehensive Income for the year	11,564	4,448

Leasing arrangements

Non-cancellable operating lease commitments relate to property rental and outgoings leases, technology hardware leases and novated leases.

15. Parent Entity Disclosures (continued)

Commitments for expenditure

	2010 \$000s	2009 \$000s
(a) Non-cancellable operating lease commitments		
Aggregate amounts contracted for at balance date but not recognised as liabilities:		
Not later than one year	7,582	9,631
Later than one year but not later than five years	21,176	21,451
Later than five years	19,692	27,778
	48,450	58,860
In respect of non-cancellable operating leases the following liabilities have been recognised:		
Current:		
Restoration of leased properties	318	303
Lease incentive	646	617
Non current:		
Restoration of leased properties	309	297
Lease incentive	5,913	6,159
	7,186	7,376
(b) Other commitments		
Not later than one year	570	599
Later than one year but not later than five years	189	–
	759	599

(c) CPA Australia will continue to support in 2011 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 2010 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 2010 was \$220,000 (2009: \$277,155).

CPA Australia has provided support in 2010 to the IFAC in the pursuit of their objectives. The contribution for the year 2010 was \$561,449 (2009: \$720,351).

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 2010 was \$420,533 (2009: \$372,386).

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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.

17. Related Parties

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

Non-Executive Directors

Mr L Weng Keong, President (effective 1 October 2010)

Prof R Petty (Presidential term completed 30 September 2010)

Mr J Cahill

Mr S Chapman (ceased 30 September 2010)

Mr P Cooper (ceased 30 September 2010)

Mrs P Egan

Ms C Foo

Mr M Grey

Ms K Ryan

Mr B Trebilcock

Mr G Wade

Mr S Bird

Mr J Dickson (commenced 1 October 2010)

Mr P Dowling (commenced 1 October 2010)

Executives

Mr A Malley (Chief Executive Officer)

Mr M Adlam (Executive General Manager – Brand & Communications)

Mr A Awty (Chief Financial Officer/Company Secretary (commenced as Company Secretary 9 April 2010))

Mr T Dwyer (Executive General Manager – Organisational Effectiveness (until 14 May 2010), General Manager – Transformation (commenced 17 May 2010, ceased 31 December 2010))

Mr A Gleeson (Executive General Manager – Member Knowledge)

Mr J Hughes (Executive General Manager – Member Engagement)

Ms L Nicholson (Company Secretary & General Counsel (ceased 8 April 2010))

Mr P Wappett (Executive General Manager – Strategy)

Mr R Thomason (Executive General Manager – Business Development (commenced 2 August 2010))

Compensation of Directors

In 2010, in accordance with the article 45 of the Constitution, the Board approved the payment of fees to the President, Deputy Presidents and External Directors from 1 January and all other Directors from 1 April, with the exception of Steve Chapman or his Employer, The Auditor General's Office of Australia, who elected not to receive any remuneration component for the term of his Directorship. All payments are deemed to be compensation for the purpose of this disclosure. At balance date, all 2010 short-term employee benefits for Directors had been paid and are recognised in the aggregate Key Management Personnel component below.

Key Management Personnel Compensation

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

	2010 \$	2009 \$
Short-term employee benefits	3,440	2,865
Post-employment benefits	303	226
Termination benefit	260	–
	4,003	3,091

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. A letter of comfort was provided to the AAT which states, CPA Australia will, until 30 June 2012, not call due any debts owing by AAT. The CEO and the Head of Business-Investment Policy 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

17. Related Parties (continued)

Adam Awty, Chief Financial Officer & Company Secretary, Jeff Hughes, Executive General Manager – Member Engagement and Mithila Sathasivam, Senior Manager Governance & Membership are Directors of CPA Australia (Malaysia) Sdn Bhd.

Professor Richard Petty, Director CPA Australia Ltd, Alex Malley, Chief Executive Officer, Paul Wappett, Executive General Manager – Strategy and Jeff Hughes, Executive General Manager – Member Engagement and Deborah Leung, General Manager Hong Kong are Directors of CPA Australia (Shanghai) Ltd.

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.

18. Remuneration of Auditor

	Consolidated	
	2010	2009
	\$	\$
Audit Services:		
Auditor of parent entity		
Audit of financial report	126,000	120,000
Other assurance services	25,935	27,200
Non-audit services	11,885	64,065
Affiliated firms		
Audit of financial reports for Foreign subsidiaries and branches	20,694	31,329
	184,514	242,594

The auditor of the company is Deloitte Touche Tohmatsu.

18. Remuneration of Auditor (continued)

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 Pricewaterhouse Coopers, 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 2010, CPA Australia received revenue in the form of sponsorship from Deloitte Singapore for the CPA Careers @ Singapore event the CPA Program Excellence Awards 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 2010 Congress. Deloitte Malaysia provided sponsorship for the CPA Program Excellence Awards.

19. Investment in Controlled Entities

	Class of Share	Entity Interest		Amount of Investment	
		2010 %	2009 %	2010 \$	2009 \$
Controlled entity	Ordinary	100	100	2	2
CPA Australia (Malaysia) Sdn Bhd				2	2

The investment is not shown in the accounts due to rounding to the nearest thousand dollars and eliminated on consolidation.

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

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2010

20. Superannuation and Defined Benefit Plan

Employees have the choice to contribute either to the CPA Australia Superannuation Plan of the One Path Corporate Super ('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 the Statement of Comprehensive Income 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 benefits only. At 31 December 2010, the Defined Benefit Plan had 8 members.

Reconciliation of the Defined Benefit Obligation

Financial year ended	2010 \$000s	2009 \$000s
Present value of defined benefit obligations at beginning of the year	1,956	2,268
Current service cost	94	197
Interest cost	79	86
Contributions by fund participants	18	58
Actuarial (gains)/losses	44	(183)
Benefits paid	(1,000)	(412)
Taxes, premiums and expenses paid	(45)	(58)
Present value of defined benefit obligations at end of the year	1,146	1,956

20. Superannuation and Defined Benefit Plan (continued)

Reconciliation of the Fair Value of Fund Assets

Financial year ended	2010 \$000s	2009 \$000s
Fair value of fund assets at beginning of the year	2,351	2,268
Expected return on fund assets	137	147
Actuarial gains/(losses)	(80)	233
Employer contributions	116	115
Contributions by fund participants	18	58
Benefits paid	(1,000)	(412)
Taxes, premiums and expenses paid	(45)	(58)
Fair value of fund assets at end of the year	1,497	2,351

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

As at	2010 \$000s	2009 \$000s
Defined Benefit Obligation [^]	1,146	1,956
Fair value of assets	1,497	(2,351)
Deficit/(surplus)	(351)	(395)
Liability/(asset)	(351)	(395)

[^] includes contributions tax provision

Expense Recognised in Statement of Comprehensive Income

Financial year ended	2010 \$000s	2009 \$000s
Service cost	94	197
Interest cost	79	86
Expected return on assets	(137)	(147)
Superannuation expense/(income)	36	136

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2010

20. Superannuation and Defined Benefit Plan (continued)

Expense recognised in Statement of Comprehensive Income in respect of defined contribution plan:

Amounts Recognised in Other Comprehensive Income

Financial year ended	2010 \$000s	2009 \$000s
Actuarial (gains)/losses	124	(416)

Cumulative Amount Recognised in the Other Comprehensive Income

Financial year ended	2010 \$000s	2009 \$000s
Cumulative amount of actuarial (gains)/losses	396	272

Fund Assets

The percentage invested in each asset class at the Statement of Financial Position date:

As at	30 September 2010* %	31 December 2009 %
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 2010 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.

20. Superannuation and Defined Benefit Plan (continued)

Actual Return on Fund Assets

Financial year ended	2010 \$000s	2009 \$000s
Actual return on fund assets	57	380

Principal Actuarial Assumptions at the Reporting Date

	2010	2009
Discount rate	4.80% pa	4.90% 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	2010 \$000s	2009 \$000s
Present value of defined benefit obligation	1,146	1,956
Fair value of fund assets	1,497	2,351
(Surplus)/deficit in fund	(351)	(395)
Experience adjustments (gain)/loss – fund assets	80	(233)
Experience adjustments (gain)/loss – fund liabilities	38	(109)

Expected Contributions

Financial year ended	2011 \$000s
Expected employer contributions	59

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 per cent of salaries of defined benefit members, and 12.0 per cent of salaries of defined contribution members who are members of Category 3 and 9 per cent 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.

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 the Group'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 the Group's Finance Business Unit and reported to the relevant operation of the Group through management reports which analyse exposures by degree and magnitude of risks. In 2010, the strengthening of the Australian Dollar against the currencies where substantial cash is held resulted in a foreign exchange loss of \$262K 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 the Group. The Group has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The Group'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. The Group 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).

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

The credit risk on financial assets of the consolidated entity which have been recognised on the Statement of Financial Position 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 equities and bank bills held to maturity with fixed interest rates and term.

(d) Capital risk management

The consolidated entity manages its capital to ensure that the consolidated entity will be able to continue as a going concern. The consolidated entity's overall strategy remains unchanged from 2009.

The capital structure of the consolidated entity consists of equity comprising reserves and retained earnings.

The consolidated entity is not subject to any externally imposed capital requirements.

21. Financial Risk Management, Objectives and Policies (continued)

(e) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held by the Group are detailed below:

Financial Instruments

	Weighted average interest rate	Floating interest rate \$000s	Consolidated		
			1 year or less \$000s	1-2 years \$000s	Total \$000s
2010					
Financial Assets					
Cash and cash equivalents	4.41%	12,339	18,334	–	30,673
Bank bills < 1 year	6.00%	–	1,000	–	1,000
Bank bills > 1 year	5.13%	–	–	11,500	11,500
Equities	Non-interest bearing	–	10,295	–	10,295
Property funds	Non-interest bearing	–	751	–	751
Securities	Non-interest bearing	–	1,993	–	1,993
Hybrids	Non-interest bearing	–	11,916	–	11,916
Receivables	Non-interest bearing	–	3,051	–	3,051
		12,339	47,340	11,500	71,179
Financial Liabilities					
Payables	Non-interest bearing	–	7,074	–	7,074
Subscriptions and fees in advance	Non-interest bearing	–	28,880	–	28,880
		–	35,954	–	35,954
Net Financial Assets/ (Liabilities)		12,339	11,386	11,500	35,225
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
Hybrids	Non-interest bearing	–	1,227	–	13,500
Receivables	Non-interest bearing	–	10,594	–	10,594
		5,387	43,340	13,500	74,500
Financial Liabilities					
Payables	Non-interest bearing	–	8,580	–	8,580
Subscriptions and fees in advance	Non-interest bearing	–	28,202	–	28,202
		–	36,782	–	36,782
Net Financial Assets/(Liabilities)		5,387	6,558	13,500	37,718

21. Financial Risk Management, Objectives and Policies (continued)

(f) 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.

(g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management. The Group 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. All financial liabilities, namely trade and other payables, are due for settlement within three months and are non-interest bearing. Given the current surplus cash assets, liquidity risk is minimal.

(h) 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 \$000s
Financial assets at fair value through statement of comprehensive income	
Equities	10,295
Property funds	751
Securities	1,993
Hybrids	11,917
	24,956

There were no financial assets in Level 2 or 3 in the period.

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).

21. Financial Risk Management, Objectives and Policies (continued)

(i) 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.

(j) 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 2010.

Annual risk by risk type	Minimum		Average		Maximum	
	2010 \$000s	2009 \$000s	2010 \$000s	2009 \$000s	2010 \$000s	2009 \$000s
Foreign exchange	30	24	153	121	275	218
Interest rate	31	13	77	34	123	54

Interest rate analysis is based on balances of financial assets not exceeding one year, which are all at variable rates. Minimum and maximum exposures are calculated at increases of 25 basis points and 100 basis points respectively. An equal reduction in interest rates would result in an equivalent fall in net profit.

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 2010. Minimum and maximum exposure are calculated at shifts of 1 per cent and 10 per cent change in exchange rate respectively. An equal decline in the exchange rate would result in an equivalent fall in net profit.

The consolidated entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The consolidated entity does not actively trade these investments.

Equity Price Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5 per cent higher/lower equity reserves would have increase/decrease by \$1.2m as a result of the fair value of the available-for-sale shares.

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2010

22. Notes to Statement of Cashflows

	Consolidated	
	2010 \$000s	2009 \$000s
Reconciliation of Profit After Income Tax to Net Cash		
Inflow from Operating Activities		
Surplus after income tax	11,325	4,077
Plus/(minus) non-operating items:		
Interest income received	(3,370)	(3,565)
Plus/(minus) non-cash items:		
Foreign exchange translation	(27)	(88)
Depreciation and amortisation	3,958	3,989
Net (gain)/loss on sale of property, plant and equipment	(1,464)	356
Change in assets and liabilities:		
Decrease/(increase) in receivables	7,542	(133)
(Increase) in other assets	(272)	(480)
(Decrease) in payables	(1,506)	(79)
Increase/(decrease) in subscriptions and fees in advance	678	(1,810)
(Decrease) in other liabilities	(245)	(768)
Increase/(decrease) in provisions	194	(349)
Change in items in equity		
Amounts recognised in Equity relating to Defined Benefit Plan	(124)	416
Net cash inflow from operating activities	16,689	1,566

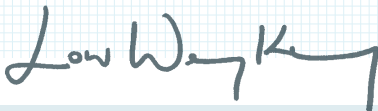
Directors' Declaration

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. 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 Australian Accounting Standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2 (b).

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the *Corporations Act 2001*.



LOW WENG KEONG FCPA
Director

25 February 2011



JOHN CAHILL FCPA
Director

25 February 2011

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 2010, 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 or from time to time during the financial year as set out on pages 70 to 105.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements 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.

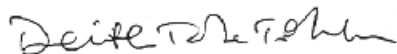
Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CPA Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.



DELOITTE TOUCHE TOHMATSU



Peter A. Caldwell
Partner
Chartered Accountants
Melbourne, 25 February 2011

Key Dates

CPA Australia AGM 2011

28 April 2011, Melbourne

CPA Congress dates

Brisbane _____ 7–9 September 2011

Canberra _____ 20–23 September 2011

Singapore _____ 6 October 2011

Kuala Lumpur _____ 10 October 2011

Hong Kong _____ 14 October 2011

Sydney _____ 17–20 October 2011

Melbourne _____ 17–28 October 2011

Perth _____ 14–17 November 2011

Adelaide _____ 16–18 November 2011

London _____ 18–19 November 2011

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Design_erd.net.au Photography_James Knowler Print_Bluestar

CPA AUSTRALIA
ANNUAL REPORT
2010



Strategic thinking beyond the numbers

Access to knowledge and the ability to see the bigger picture behind the numbers gives you a competitive advantage.

That's why CPA Australia consistently seeks to help members unlock their potential by providing training and knowledge networks to inform, inspire and energise.

The value and potential of your CPA Australia membership is what makes you different. Use it.

What
makes
you
stand
out?



MEMBER RESOURCES



Providing user-friendly and innovative ways to access and exchange knowledge helps members develop skills, retain currency and leverage valuable connections.

Members want access to high-quality knowledge that keeps them current, enhances their skills and makes them better professionals. CPA Australia aims to provide access to the best information and resources in a variety of publications and formats to meet the wide range of members' needs.