

**GOVERNANCE AND  
FINANCIAL REPORT**

# Board of Directors

As at 31 December 2023

The Board of Directors is the overarching governing body for CPA Australia and is responsible for strategy development, independently and objectively assessing the organisation's decisions and overseeing the performance and activities of management under the approved strategy.

Information on our approach to this area including our governance framework and structures can be found in the Corporate Governance Statement on our website and in the governance section on pages 24–27 of this report.

The Nomination 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. The Nomination Committee regularly considers diversity issues and advises on the diversity of the Board and its Committees.

We have a policy of a 40:40:20 (female/male/open) gender balance for the Board. The Appointments Council considers all matters relating to diversity on the Board to ensure the appointment of candidates with the right skills and diversity mix.

**TABLE 20: BOARD DIVERSITY AS AT 31 DECEMBER**

## 2023

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	2	20%	0	0%	2	20%
Over 50	8	80%	4	40%	4	40%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>4</b>	<b>40%</b>	<b>6</b>	<b>60%</b>

## 2022

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	2	20%	0	0%	2	20%
Over 50	8	80%	4	40%	4	40%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>4</b>	<b>40%</b>	<b>6</b>	<b>60%</b>

## 2021

Age groups	Total		Female		Male	
	Directors	%	Directors	%	Directors	%
Under 30	0	0%	0	0%	0	0%
30–50	0	0%	0	0%	0	0%
Over 50	10	100%	5	50%	5	50%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>5</b>	<b>50%</b>	<b>5</b>	<b>50%</b>



**Dale Pinto FCPA,  
John Curtin  
Distinguished Professor**

**President and Chair of the Board**

PhD (Law) MTax (Hons) PGradDipBus (Dist) BBus (Dist) FTMA FAAL CA CTA-Life AFAIM MAICD

Dale is a John Curtin Distinguished Professor at Curtin University. He is currently Chair of the Academic Board, as well as Professor of Taxation Law in the Curtin Law School. Dale is the author of numerous books, refereed articles, national and international conference papers and sits on the editorial board of several peer-reviewed journals and is also the Editor-in-Chief of several refereed journals.

He is a Fellow of CPA Australia and was on the WA Divisional Council, including serving as President of the Division in 2018 until his appointment to the Board.

Dale is a Fellow of the Australian Academy of Law, a Chartered Accountant, Chartered Tax Adviser and Honorary Life Member of the Tax Institute. He is a Life Member of the Australasian Tax Teachers Association and the Australasian Law Academics Association.

Dale has been a registered tax practitioner for more than 30 years and was one of the inaugural members of the National Tax Practitioners Board. He is a current member of the Audit Committee of the AASB/AUASB, the ATO's Public Advice Guidance Panel and the Strategic Advisory Council of the Australian Council of Professions, as well as having served on the Chamber of Commerce and Industry's Economic Development Forum in Western Australia.

Dale is a member of the Tertiary Education and Quality Standards Agency Register of Experts and a member of the Australian Academic Integrity Network.



**Warren McRae FCPA**

**Deputy President**

BBus (Accy/Banking and Finance)  
FGIA MAICD

Warren is an experienced Senior Executive and Board member with more than 30 years of financial services experience. Working across different countries and cultures, most recently as Global Chief Operating Officer (COO) for a large multinational organisation, Warren has a demonstrated depth of experience across change delivery, digital and technology innovation, strategy, commercial management, and delivery of organisational transformation. Additionally, he has been responsible for risk, control and governance across multiple entities.

Warren has held governance and Board positions in Europe, Asia and Australia, including as Chair of Global Crisis Leadership, Operating, Service Management and Financial Crime Oversight Committees for Barclays Global Private Bank, and directorships at BPB Holdings SA, Zedra Trust Company (Suisse), Barclays Switzerland Services SA, and BWS Limited (Japan).

Warren is active in supporting his community and volunteering his skills through Board positions on the Sunshine Coast Health Foundation Board ("Wishlist") and the Montessori International College. He also volunteers as Auditor for St. Paul's Church, Armidale.

Warren is a Fellow of CPA Australia and was a member of the Europe Divisional Council for four years, including serving as President and Chair in 2019-20. He is a Fellow of the Governance Institute of Australia and a Member of the AICD. Warren has a Bachelor of Business and is currently completing a Graduate Certificate in Cyber Security.

# Board of Directors



## Louise Cox FCPA

### Deputy President

BBus (Mgt) BBus (Accy) LLB (Hons)  
GradDipLegalPrac LLM MTax

Louise Cox is a well-respected accountant and lawyer with more than 30 years' experience as a CEO, CFO and non-executive Director across the legal, accounting, architecture, education and mental health sectors.

As an experienced Board member, Louise has served in a range of roles including Chair, Deputy Chair, Chair of Finance and Risk, and Chair of Governance, Remuneration and Nomination in various commercial, public sector and not-for-profit boards.

Currently, Louise is a Director on the Royal Australasian College of Physicians, RSPCA Qld, Chair of Griffith University Accounting Finance and Economics Department's Advisory Board, member QUT School of Accounting Advisory Board, member Caxton Legal Centre Centre Management Committee.

Having previously served as a Director of Open Minds, Multicap, TAFE Queensland, Thomson Adsett and as a member and Chair of the Metropolitan South Institute of TAFE Council, Louise brings strong corporate governance experience to the Board. She has been active with CPA Australia as a member of the Public Practice Advisory Committee and served for five years as a member of the Queensland Divisional Council, including as its President in 2012.



## Sarah Adam-Gedge

### Director

BBus (Accounting) CA GAICD

Sarah has extensive experience in senior leadership positions in Australia and internationally as CEO, Managing Director and Non-Executive Director across a range of sectors, including technology, retail, financial services, manufacturing, natural resources and transport, as well as the Public Sector.

Sarah has a focus on driving transformational change and business growth through digital and technology capabilities. Most recently, she was Managing Director with global IT company Wipro Ltd and Publicis Sapient Australia. A chartered accountant, Sarah also has experience as Managing Partner at PwC Consulting, and Partner at Arthur Andersen.

Sarah is a non-executive director across listed, private and not-for-profit sectors including as Deputy Chair of ship building company Austal Ltd, as well as Codan Ltd, Bravura Solutions Ltd, Kinetic IT Pty Ltd, and Cricket Australia. She has served in a variety of roles, including as Chair and member of Audit and Risk committees as well as Remuneration and Nomination committees. She is also an independent member of the Audit and Risk committee for the Australian Sports Foundation.

Sarah holds a Bachelor of Business-Accounting Queensland University of Technology and is a Graduate of the AICD. She is also a member of Chartered Accountants Australia and New Zealand (CA ANZ).



## Chung Yew Pong (Bryan) FCPA

### Director

BCom (Accounting) BBus (Banking and Finance) (Hons) FCMA CGMA

Bryan is currently an executive director of True Vine Capital Partners, a venture capital fund manager in Singapore.

Bryan has more than 25 years' experience as a senior executive in investment banking and venture capital firms, specialising in digital finance and advising fintech start-ups. He is the Vice President of Dicree, a licensed operator of a tokenisation platform. Previously, Bryan was COO of Crowdplus.asia, an equity crowdfunding platform and executive director of digital wallet service provider, Mcash. He was also a Partner in Netrove Partners, a Hong Kong headquartered venture capital firm.

Bryan is an independent director at Sim Leisure Group Limited, where he is Chair of the Audit Committee and a member of the Remuneration and Nomination Committee. He is also an Accredited Director under the auspices of Singapore Institute of Directors.

A graduate of Monash University in Melbourne, Bryan is a Fellow of CPA Australia and has served on CPA Australia's Malaysia Divisional Council for five years. A Chartered Accountant of the Malaysian Institute of Accountants (MIA), he is part of MIA's Digital Technology Implementation Committee. He is also a Fellow of Chartered Institute of Management Accountants (CIMA), and a member of ASEAN CPA.



## Professor Yew Kee Ho FCPA

### Director

BEcon (Hons) MEcon MSIA PhD FCA CFA FSID

Professor Yew Kee Ho is Professor of Accounting in the Business, Communication and Design Cluster at the Singapore Institute of Technology.

Yew Kee has served on the Boards of publicly listed companies and held appointments as Professor and Head, Department of Accounting; Vice Dean (Finance and Administration); and Chairman, Executive Education at the National University of Singapore Business School. He had previously served as a Board member of the Accounting and Corporate Regulatory Authority (Singapore), the Singapore Tax Academy, Ngee Ann Polytechnic.

He is active in the community, serving on the boards and committees of various charities, including the Singapore National Kidney Foundation, St Luke's Eldercare and Dover Park Hospice. A Fellow of CPA Australia, he is also a Fellow of Chartered Accountants Singapore and the Singapore Institute of Directors. In addition, he holds the Chartered Financial Analyst qualification and is a Senior Accredited Director in Singapore.

Yew Kee obtained his Bachelor (First Class) and Master of Economics from Monash University, Australia, and his Master of Science in Industrial Administration and PhD from Carnegie Mellon University, USA.

# Board of Directors



## Kaushika Jayalath CPA

### Director

BCom (Acc and Fin) BEc DipBus AAICD

Kaushika is an experienced Solutions Consultant at Oracle Corporation specialising in higher education, implementing cloud technology solutions to drive enterprise transformations, business process improvement and sustainable change management.

Passionate about bridging the digital skills gap across Australia and New Zealand, Kaushika is an industry mentor and guest speaker at Monash University, University of Queensland and Swinburne University. Kaushika has previously held a series of senior finance, accounting, business analysis and project management roles at Monash University in Melbourne.

A member of CPA Australia, Kaushika was awarded the CPA Certificate of Excellence, has been a guest presenter at CPA Australia events and volunteers as part of the CPA Australia Member Ambassador program to promote the CPA designation in secondary and tertiary institutions in Australia. He was a finalist for the 'Not-For-Profit Accountant of the Year' at the Australian Accounting Awards 2020, and 'Specialist Consultant Award' for the Accountants Daily '30 Under 30' Awards in 2020 and 2021.

Kaushika has a Bachelor of Commerce and Bachelor of Economics (Double Degree) majoring in Accounting, Finance and Economics at Monash University, Melbourne. Kaushika also holds a Diploma of Business (and is a World Prize & Melbourne Prize Winner). Kaushika is certified in ITIL®4 (IT Service Management) and was a member of the CPA Innovation and Technology Committee.

## Bernard Che-Wai Poon FCPA

### Director

BCom BSc FCPA (HK) FRICS

Bernard is a Partner at EY where he has worked for nearly 30 years in a number of key executive positions. He specialises in valuations and financial modelling and has extensive experience in financial due diligence and merger and acquisition transactions.

A Fellow of CPA Australia, Bernard is an Honorary Adviser to the Greater China Divisional Council, in which he was a member from 2010–18, serving as Deputy President in 2011 and President in 2012. He previously served on the Hong Kong Executive Committee, including as Chairman in 2012 and was a member of the Appointments Council in 2017–18. Bernard's long association with CPA Australia saw him awarded with the Board Award for Outstanding Service in 2020.

Active in the community, Bernard was a member of the Appeal Board Panel of the Urban Renewal Authority Ordinance (2013–19) and was appointed by the Ministry of Finance in China as a consultant in accounting in Hong Kong (2016–18). Bernard has been a member of the Council of Hong Kong Productivity Council since 2022.

Bernard is a Fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA), a member of the HKICPA Financial Reporting Valuation Panel, a Fellow of the Royal Institute of Chartered Surveyors, advisor to the Hong Kong University Business and Economics Association and an External Advisor, Department of Accountancy and Law, Hong Kong Baptist University.



---

## Anna Quinn FCPA

**Director**  
BBus GAICD

Anna is a highly accomplished senior executive and company director with extensive management experience across a broad range of industries, including marketing, media, digital, ecommerce, retail and consumer business.

Possessing a strong commercial and strategic background, Anna has a proven track record in digital transformation and profitable growth. Her most recent role was Executive General Manager at retail group, Mosaic Brands Ltd. Prior to that, she held a series of senior executive roles at Nine Entertainment, Australia's largest media group, as well as leadership roles at WPP Australia, MAXMEDIALAB and Max Connectors, Napoleon Perdis Cosmetics, ACP/Bauer magazines and LendLease.

A graduate of the Australian Institute of Company Directors course, Anna has board level experience as a non-executive director for non-profit organisations, digital media and consumer online subscription businesses, including Look Good Feel Better, Pedestrian TV and Bellabox.

Anna is an FCPA and has a Bachelor of Business (Commerce and Marketing) from the University of Technology Sydney, a graduate of the Yale School of Management, post-graduate Lean Six Sigma in improving business productivity from the University of Sydney and is currently completing a graduate certificate in Psychology of Business and Management at Curtin University.



---

## Anthony Wright

**Director**  
BBus (Accy) MBA LLB LLM GAICD

Anthony is a CEO, entrepreneur and company Director with extensive experience across a broad range of specialised fields including legal, governance, risk and compliance, finance, ESG and marketing.

Previously, Anthony was founder and CEO of award-winning Asia Pacific legal services and tech business, Lexvoco, which he exited to Bowmark Capital. He has also held senior leadership roles with LOD/Bowmark Capital, the PGA Tour, and was the Group General Counsel and General Manager, Strategy and Systems at Transpacific Industries Group Ltd.

An advocate for innovation, Anthony's board level experience covers a range of public companies and start-ups, and he is an early-stage investor in leading edge businesses across the mining, apparel, HR, finance, legal, health and wellness industries. His current appointments include Aruma Capital as a founding General Partner, Metron Global (measurement technology), JustFund (fintech and legaltech), and Thongs Australia (retail, local manufacturing). Anthony is also a non-executive Director at Rugby Victoria Ltd. Previously, Anthony was an independent, non-executive Director at Wellfully Ltd.

Anthony has an MBA, Master of Laws, Bachelor of Laws, Bachelor of Business (Accountancy) and has completed the AICD course and venture capital programs at INSEAD and the Wade Institute at The University of Melbourne.



# Board of Directors



## Merran Kelsall AO FCPA

**Past President and Chair of the Board  
(until 30 September 2023)**  
BCom (Hons) FCA MBA FAICD F Fin

Merran Kelsall served as President and Chair for three years and as Deputy President of CPA Australia for three years from October 2017. She has a portfolio of independent directorships, with more than 25 years' experience on numerous boards and committees in the private and public sectors.

Merran is committed to serving organisations with a commitment to outcomes for members, stakeholders and the public interest. She is particularly focused on aligning performance management with strategy, and in Integrated Reporting on financial and non-financial matters, including strategy, risk management and ESG issues. She has considerable expertise in corporate governance, finance, audit, risk and compliance.

She operated in public practice for 20 years, including 10 years as a partner at BDO. Her industry experience includes financial and professional services, education, insurance and health.

Her current appointments include, Director of CareSuper, Australian Red Cross Lifeblood, Medical Indemnity Protection Society and TarraWarra Museum of Art. Merran is also an Adjunct Professor in the School of Accounting, Auditing and Taxation at the UNSW Business School.

Her previous appointments include Professor of Practice at UNSW, Chairman and CEO, Australian Auditing and Assurance Standards Board (AUASB), Member International Auditing and Assurance Standards Board, Deputy Chair of Melbourne Water Corporation, Director of RACV Ltd, National Gallery of Victoria and Council of RMIT University.

Merran retired from the Board on 30 September 2023.

## Helen Lorigan FCPA (Hon.)

**Past Director  
(until 30 September 2023)**  
BCom GAICD SF Fin

Helen Lorigan was appointed as CEO at Laboratories Credit Union on 9 May 2022. Helen was previously a Managing Partner of Sapien Ventures, a venture capital company with partners based in Sydney, Silicon Valley, Melbourne and Shanghai. Helen originally commenced as an Executive-in-Residence at Sapien Ventures in February 2016 and was responsible for leading a number of key initiatives across digital and technology platforms, self-directed advice and software applications. This involved the identification, sourcing and curating of high quality fintech and online marketplace start-ups across banking and the broader financial services industry for potential investment.

Helen has previously held the position of CEO of Elders Financial Planning, formed as a Joint Venture between ANZ and Elders, an Australian global agricultural corporation, in 2009 after initially commencing with Elders as General Manager, Wealth Management in 2006. Helen has also held senior executive leadership roles in wealth management and banking with the ANZ Group, CBA and MLC.

Helen holds a Bachelor of Commerce from UNSW, is a Graduate of the AICD, a Senior Fellow of FINSIA and has served as a Director, Responsible Manager and Advisory Board member on numerous financial services Boards and Australian Financial Services Licenses.

Helen retired from the Board on 30 September 2023.

## Rosemary Sinclair AM FCPA

**Past Director  
(until 30 September 2023)**  
BA LLB BBus MCom FAICD

Rosemary Sinclair has extensive experience at CEO and Senior Executive level in the communications, media, publishing, higher education and energy sectors. Roles have included significant stakeholder engagement responsibilities as CEO of the Australian Telecommunications Users Group, Director of External Relations for the Australian Business School UNSW, inaugural CEO of Energy Consumers Australia, and currently CEO of .au, Australia's Domain Name System Administrator.

Rosemary's Board level experience spans private sector companies, public sector and not-for-profit organisations and includes roles as member or Chair of Audit and Risk Committees for more than 30 years. Rosemary has international Board experience in telecommunications and internet policy development committees.

Rosemary was a Member (part-time) of the Australian Communications and Media Authority from 2013–18 and was a Director of the Board and Chair of the Risk and Audit Committee of the Wests Tigers Rugby League Football Club from 2014–17.

Rosemary was made a Member of the Order of Australia in June 2018 for significant service to business, particularly through leadership and administrative roles in the telecommunications industry. Rosemary was awarded membership of Chief Executive Women in 2022.

Rosemary retired from the Board on 30 September 2023.



# Councils and Committees

## **DIVISIONAL COUNCILS**

### **Australian Capital Territory**

Matthew Geysen FCPA, President  
Erin Adams FCPA, Deputy President  
Yasmin Burraston CPA,  
Deputy President  
Mark Brown FCPA  
Vibo (Vibodha) Chandrasekara CPA  
(casual vacancy)  
Peter Dunlop FCPA  
Rob Hanlon FCPA  
Cha Jordanoski FCPA  
Phillipa Leggo CPA  
Tony Marks FCPA  
Annie Ryan FCPA  
Karen Williams FCPA

### **New South Wales**

Richard Morton FCPA, President  
Maggie Lo CPA, Deputy President  
Wayne Stokes FCPA, Deputy President  
Andrew Crawford FCPA  
Michelle Cull FCPA  
Helen Dong FCPA  
Kerryn Goddard FCPA  
John Fallon FCPA  
Krista Fletcher FCPA  
Paul Harris FCPA  
Peter Jiang FCPA  
Stephan Kasanczuk FCPA  
Simon Kaleski FCPA  
Alexander Konstandinidis FCPA  
Deborah Lane FCPA  
Benjamin McEvoy CPA  
Anna Moody FCPA  
Thomas O'Keefe FCPA

### **Northern Territory**

Ross Springolo FCPA, President  
Donna Moore CPA, Deputy President  
Andy Dahal CPA  
Shawgat Kutubi CPA  
Steven Lawrence FCPA  
Kerry Legge CPA (casual vacancy)  
Benjamin Mooney CPA (casual vacancy)  
Iain MacPherson CPA  
Ellie Norris CPA (resigned June)  
Avtar Sing CPA (casual vacancy)  
Chris Tee CPA

### **Queensland**

Shanna Hunter FCPA, President  
Cissy Ma FCPA, Deputy President  
Robert McDowall FCPA,  
Deputy President  
Kyelie Baxter FCPA  
Tony Brett CPA  
Tanya Feekings FCPA  
Leanne Ferguson CPA  
David Hardidge FCPA  
Gerard Illott FCPA  
Theresa O'Connor FCPA  
Shane Sullivan FCPA (casual vacancy)

### **South Australia**

Scott Williams FCPA, President  
John Zerella FCPA, Deputy President  
Shakhlo (Shakhlokhon) Rasulova CPA,  
Deputy President  
Karen Conlon FCPA  
Jason Huang FCPA  
Fiona Kwan CPA  
Janice Loftus FCPA  
Robert Maloney FCPA  
Braden Naylor FCPA  
Rikky Wang CPA  
Kent Wilson CPA  
Jodi Lee-Ann Wright CPA

### **Tasmania**

Carolyn Harris FCPA, President  
Ric De Santi FCPA, Deputy President  
Roger (Haixiang) Lu CPA,  
Deputy President  
Steve Allen FCPA  
Melissa Butt CPA  
Angela (Qiaofeng) Ellis CPA  
Karen Frost FCPA  
Donna Powell CPA  
Claire Smith CPA  
Amie Scruton CPA  
Belinda Williams FCPA  
Mark Wild CPA

### **Victoria**

Ted Turner CPA, President  
Michelle Tyquin-Frey CPA,  
Deputy President  
Wen (Emma) Feng CPA  
Georgina Fordham CPA  
Judy Gao CPA  
Marcell Judkins FCPA  
(casual vacancy)  
Ralph Kober FCPA  
Maria Koleda FCPA  
Enrique Ortiz CPA  
Jyotee Patel FCPA  
Brent Szalay FCPA  
Melville Yates FCPA  
William Young FCPA  
(casual vacancy)

### **Western Australia**

Erica Haddon FCPA, President  
Byron Savage FCPA,  
Deputy President  
Bernadette Smith FCPA,  
Deputy President  
Thomas Griebel FCPA  
Connagh Hopkins CPA  
Helen Lo Presti CPA  
Simon Mayo FCPA  
Mark Narustrang FCPA  
Anastasiia Ploshkina CPA  
Tim Roach FCPA  
Peter Robinson FCPA  
Kylie Thompson FCPA

### **Greater China**

Robert Lui FCPA, President  
Cyrus Cheung FCPA,  
Deputy President  
Cliff (Wang Hoi) Ip FCPA,  
Deputy President  
Janssen Chan FCPA,  
Anthony Lau FCPA  
Irene (Oi Yin) Lee CPA  
Kelvin Leung FCPA (casual vacancy)  
Samuel (Wai Lap) Lung FCPA  
(resigned May)  
John (Shek Hon) Lo FCPA  
Roy (Wa Kei) Lo FCPA  
(resigned May)  
Grace (Wai Ting) Ng CPA  
(resigned May)  
Wilson Pang FCPA  
Paul (Kwan Hang) Sin FCPA  
(casual vacancy)  
Eden Wong FCPA  
Karina Wong FCPA (casual vacancy)

# Councils and Committees

## Europe

Catherine Maree Riney  
FCPA, President  
Mark Hucklesby FCPA,  
Deputy President  
Garth Britton CPA  
Christopher Crellin FCPA  
Kerry Huggler CPA (resigned April)  
Yu Ling Loh CPA (casual vacancy)  
Andrea Mestrov CPA  
Russell Payne CPA  
Evelyn Ng FCPA  
Matthew Tilling CPA

## Malaysia

Surin Segar FCPA, President  
Dato' Mohammad Azlan Abdullah  
FCPA, Deputy President  
Kit Weng Yip FCPA, Deputy President  
Bryan (YewPong) Chung FCPA  
(resigned March)  
Ree Nie Koh FCPA  
Chuang Li Khoo FCPA  
Wai Kit Mak CPA  
Fatimah Mis FCPA  
Zulkiflee Mohamed FCPA  
Terence Tan FCPA  
Sau Shiung Yap FCPA  
Chan Wan Yin CPA (casual vacancy)

## New Zealand

Angus Ogilvie FCPA, President  
Liz Plowman CPA, Deputy President  
Mark Saunders CPA, Deputy President  
Gina Brighthouse CPA  
Gillian Craig FCPA  
Justin (Jianing) Duan CPA  
(casual vacancy)  
Darby Healey CPA  
Brent Kennerley FCPA  
Edmund Mah FCPA  
Craig Roberts CPA  
Paul Shallard CPA  
Julia Wu CPA

## Singapore

Pui Yuen Cheung FCPA, President  
Greg Unsworth FCPA,  
Deputy President  
Lay Chew Chng FCPA  
Yew Kee Ho FCPA (resigned April)  
Arthur Lang FCPA  
Su Min Ling CPA  
Max Loh FCPA  
Haryane Mustajab FCPA  
Joshua Ong FCPA  
Li Anne Ooi CPA  
Shiuh Ying Tang CPA  
Don Yeo FCPA

## BOARD COMMITTEES

During 2023

### Audit, Risk and Compliance Committee

Warren McRae FCPA, Chair  
Yew Kee Ho FCPA  
Bernard Poon FCPA  
Rosemary Sinclair AM FCPA (until  
30 September 2023)  
Anthony Wright

### Education, Policy and Innovation Committee

Dale Pinto FCPA, Chair  
Bryan Chung FCPA  
Yew Kee Ho FCPA  
Helen Lorigan (until  
30 September 2023)  
Rosemary Sinclair AM FCPA (until  
30 September 2023)

### Member Engagement and Culture Committee

Louise Cox FCPA, Chair  
Bryan Chung FCPA  
Bernard Poon FCPA  
Anthony Wright  
Helen Lorigan (until  
30 September 2023)

### Nomination Committee

Warren McRae FCPA, Chair  
Louise Cox FCPA  
Karen Williams FCPA  
Jodi Wright FCPA  
Michaela Healey AM  
Trent Bartlett

## ADVISORY COMMITTEES

As at 31 December 2023

### Appointments Council

Dale Pinto FCPA, Chair  
Karen Williams FCPA, Deputy Chair  
Jodi Wright FCPA, Appointor  
Lay Chew Chng FCPA  
Mark Hucklesby FCPA  
Simon Kaleski FCPA  
Shawgat Kutubi CPA  
Anthony Lau FCPA  
Jyotee Patel FCPA  
Donna Powell FCPA  
Tim Roach FCPA  
Mark Saunders FCPA  
Tim Timchur FCPA  
Kit Weng Yip FCPA

### Council of Presidents

Richard Morton FCPA, Chair  
Erica Haddon FCPA, Deputy Chair  
Pui Yuen Cheung FCPA  
Matthew Geysen FCPA  
Surin Gnanasegaram FCPA  
Carolyn Harris FCPA  
Shanna Hunter FCPA  
Robert Lui FCPA  
Angus Ogilvie FCPA  
Catherine Riney FCPA  
Ross Springolo FCPA  
Ted Turner CPA  
Scott Williams FCPA

### Professional Education Advisory Committee

Mary Dunkley FCPA, Chair  
Ka Fai (Jeffrey) Chan FCPA  
Mandy Cheng FCPA  
Teresa Chong FCPA  
Anthony Hayes FCPA  
Maria Koleda FCPA  
Meredith Tharapos CPA  
Jim Tognolini  
Denis Vinen FCPA  
Jon Yorke

### **Public Practice Advisory Committee**

Shanna Hunter FCPA, Chair  
Shabnam Amirbeaggi FCPA  
Sharman Arumugam FCPA  
Prue McStay CPA  
Peter Mogg FCPA  
Julian O'Rorke CPA  
Andrew Pearce FCPA  
Damian Pearce CPA  
John Zerella FCPA  
Hugh Zimmerman CPA

### **CPA Australia Best Practice Advisory Committee**

Craig Slater, Chair  
Dona Alahakoone CPA  
Shabnam Amirbeaggi FCPA  
Karen Conlon FCPA  
Terrence Cheong FCPA  
Simon Flowers FCPA

### **COMPLIANCE PANELS**

#### **Disciplinary Panel**

Rebecca Hemperger FCPA, Chair  
Kim Langfield-Smith, Deputy Chair  
Paul Simionato, Deputy Chair  
Brendan Swift, Deputy Chair

#### **Professional Conduct Oversight Panel**

Mark Brown FCPA  
Greg Lewis  
Gregory Sharpley

### **LIFE MEMBERS**

Elizabeth Alexander AO FCPA  
Patrick Barrett AO FCPA  
David Baulch FCPA  
Brian Blood FCPA  
David Boymal AM FCPA  
John Cahill FCPA  
Poon Wing Cheung FCPA  
Denis Cortese FCPA  
Mark Coughlin FCPA  
Kenneth Eastwood AM FCPA  
John Gill FCPA  
Scott Henderson AM FCPA  
Bryan Howieson FCPA  
Robert Jeffery FCPA  
Low Weng Keong FCPA  
Jim Kropp FCPA  
Robert Shiu-Hung Lee FCPA  
Ian McPhee AO FCPA  
Paul Meiklejohn FCPA  
John Miller AO FCPA  
Joycelyn Morton FCPA  
Graham Paton AM FCPA  
Des Pearson AO FCPA  
Patrick Ponting FCPA  
Loh Hoon Sun FCPA  
Brian Waldron OAM FCPA  
Peter Wilson AM FCPA  
Bernard Wright AM FCPA

### **OTHER BOARDS AND COMMITTEES<sup>1</sup>**

#### **A4S Advisory Council**

Merran Kelsall AO FCPA

#### **Confederation of Asian and Pacific Accountants**

Priya Terumalay FCPA

#### **IFAC Board**

Merran Kelsall AO FCPA (observer representing CPA Australia)

#### **IFAC Nominating Committee**

Merran Kelsall AO FCPA

#### **IFAC Small and Medium Practices Committee**

Baubre Murray FCPA

#### **IFAC Professional Accountants in Business**

Sharon Ditchburn FCPA

#### **IFAC Public Policy and Regulation Advisory Group**

Dr Gary Pflugrath FCPA

#### **Integrated Reporting and Connectivity Council**

Patrick Viljoen CPA

<sup>1</sup> CPA Australia shares representation on some of these bodies with CA ANZ.

# Councils and Committees

## **CENTRES OF EXCELLENCE**

### **DIGITAL TRANSFORMATION**

Stephannie Jonovska FCPA, Chair  
Perry Abbott FCPA  
Kyelie Baxter CPA  
Michael Davern FCPA  
David Hardidge FCPA  
Guy Ioppolo FCPA  
Tony Krizan FCPA  
Jannat Maqbool CPA  
Joni Pirovich  
Dimitrios Salampasis

### **ESG**

Tim Timchur FCPA, Chair  
Sharon Ditchburn FCPA  
Robyn Erskine FCPA  
Lucy Hamnett CPA  
Felix Lam CPA  
Cissy Ma FCPA  
Paul Mather FCPA

## **Ethics and Professional Standards**

Anju De Alwis FCPA, Chair  
Mahesh Balakrishnan CPA  
John Halliday FCPA  
Dr Gerard Ilott FCPA  
Alex Ooi Thiam Poh FCPA  
Brendan O'Connell FCPA  
Peter Pontikis FCPA  
Kimberly Singh FCPA  
Wayne Stokes FCPA

### **External Reporting**

Michelle Harrison FCPA, Chair  
Enrico De Santi FCPA  
Elizabeth Giust FCPA  
Nikole Gyles FCPA  
Len Jui FCPA  
Ian Mackintosh FCPA  
Robyn Moroney CPA  
Christina Ng CPA  
Siva Sivanantham FCPA  
Shaun Steenkamp CPA  
Gabriel Teo FCPA  
Nick Walker CPA

## **Retirement Savings**

Nicole Osborne OAM CPA, Chair  
Jane Barrett  
Leon Jennings CPA  
Alex Harken-Yumru CPA  
Lou Krstevski FCPA  
Bruce Mackley CPA  
Suzanne Maloney FCPA  
Brett Marsh CPA  
Neil Marshall CPA  
Paul May CPA

### **Taxation**

Alexis Kokkinos FCPA, Chair  
Stuart Drake CPA  
Ken Fehily FCPA  
David Hall FCPA  
Sunita Jogarajan  
Aaron Ng CPA  
Michael Parker ASA  
Kunal Patel CPA  
Ian Raspin FCPA  
Sue Williamson FCPA

# Report of the Board of Directors

## DIRECTORS

The Directors submit the annual financial report of CPA Australia Ltd ("CPA Australia") and its controlled entities ("the Group") for the financial year ended 31 December 2023. In order to comply with the *Corporations Act 2001* and Australian Accounting Standards, the Directors present this report. The Directors in office at the end of the financial year are set out on pages 89 to 94 of this report, together with their qualifications, experience and special responsibilities. Details of meeting attendance are set out on pages 100 to 101 and their remuneration is included in Note 19.c on page 138.

## COMPANY SECRETARY

Warren Slade BA, LLB (Hons), legal practitioner, was appointed as Company Secretary on 1 January 2023.

## PRINCIPAL ACTIVITIES

The principal activities of the Group 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 loss before income tax for the year was \$1,907,000 (2022 consolidated loss: \$31,337,000).  
The consolidated loss after tax for the year was \$1,437,000 (2022 consolidated loss after tax: \$32,519,000).

## REVIEW OF OPERATIONS

A review of the operations of the Group during the financial year and the results of those operations are contained in the discussion and analysis of the financial results – see pages 104 to 107.

## CORPORATE GOVERNANCE

The Board met on 10 occasions in 2023 with four Directors elected in September commencing a three-year term on 1 October 2023. During 2023, the Board continued to focus on providing services and resources to support members and the profession in responding to macro global trends, and invested in technology to support the strategic initiatives.

In 2023, four Board Committees of Directors operated: Audit, Risk and Compliance; Education, Policy and Innovation; Nomination, and Member Engagement and Culture.

In July 2023, CEO Andrew Hunter tendered his resignation, effective April 2024. New CEO Chris Freeland AM, will join CPA Australia on March 18 2024.

**Further information on the governance of the Company is included in the corporate governance statement on our website and on pages 24 to 27 of this report.**

## DIRECTORS' MEETINGS

The tables on pages 100 to 101 set out the number of Board and Board Committee meetings held and the number of meetings attended by each Director during 2023.

## CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group, other than referred to in the financial statements or notes thereto.

## SUBSEQUENT EVENTS

There has been no matter or circumstance occurring since the end of the financial year to the date of this report that has affected or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

## FUTURE DEVELOPMENTS

Likely developments in the activities of the Group are noted elsewhere in this report, with the Group working towards the achievement of its objectives under the strategy.

## INDEMNIFICATION OF OFFICERS AND AUDITORS

During the year the Group 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 102 and forms part of this report.

## ROUNDING OF AMOUNTS

The statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available under ASIC Legislative Instrument 2016/191.

# Report of the Board of Directors

## BOARD OF DIRECTORS' MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Merran Kelsall AO, Chair <sup>1,3</sup>	5	5	3	3	8	8
Dale Pinto, Chair <sup>4</sup>	6	6	4	4	10	10
Warren McRae	6	6	4	4	10	10
Sarah Adam-Gedge <sup>2</sup>	1	1	1	1	2	2
Bryan Chung	6	6	4	4	10	10
Louise Cox	6	6	4	4	10	10
Yew Kee Ho	6	6	4	4	10	10
Kaushika Jayalath <sup>2</sup>	1	1	1	0	2	1
Helen Lorigan <sup>1</sup>	5	5	3	3	8	8
Bernard Poon	6	6	4	4	10	10
Anna Quinn <sup>2</sup>	1	1	1	1	2	2
Rosemary Sinclair AM <sup>1</sup>	5	4	3	3	8	7
Anthony Wright	6	6	4	4	10	10

## AUDIT, RISK AND COMPLIANCE COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Warren McRae, Chair	6	6	0	0	6	6
Yew Kee Ho	6	5	0	0	6	5
Bernard Poon	6	6	0	0	6	6
Rosemary Sinclair AM <sup>1</sup>	5	5	0	0	5	5
Anthony Wright	6	6	0	0	6	6

## EDUCATION, POLICY AND INNOVATION COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Dale Pinto, Chair	4	4	0	0	4	4
Bryan Chung	4	4	0	0	4	4
Yew Kee Ho	4	4	0	0	4	4
Helen Lorigan <sup>1</sup>	3	3	0	0	3	3
Rosemary Sinclair AM <sup>1</sup>	3	2	0	0	3	2



## NOMINATION COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Warren McRae, Chair	6	5	1	1	7	6
Louise Cox	6	6	1	1	7	7
Trent Bartlett <sup>5</sup>	6	6	1	1	7	7
Michaela Healey <sup>5</sup>	6	6	1	0	7	6
Karen Williams <sup>6</sup>	6	6	1	1	7	7
Jodi Wright <sup>6</sup>	6	6	1	1	7	7

## MEMBER ENGAGEMENT AND CULTURE COMMITTEE MEETINGS 2023

Directors	Scheduled meetings		Ad hoc meetings		Total 2023 meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Louise Cox, Chair	4	4	0	0	4	4
Bryan Chung	4	4	0	0	4	4
Helen Lorigan <sup>1</sup>	3	3	0	0	3	3
Bernard Poon	4	4	0	0	4	4
Anthony Wright	4	4	0	0	4	4

<sup>1</sup> Term as a Director, and Board or Committee member ceased on 30 September 2023

<sup>2</sup> Term as a Director and Board member commenced on 1 October 2023

<sup>3</sup> Term as Chair ceased on 30 September 2023

<sup>4</sup> Term as Chair commenced on 1 October 2023

<sup>5</sup> Independent Non-Director Committee Members

<sup>6</sup> Appointments Council representative on the Nomination Committee

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



**Dale Pinto FCPA**  
John Curtin  
Distinguished Professor,  
Director



**Warren McRae**  
FCPA  
Director

18 March 2024



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

To the Directors of CPA Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of CPA Australia Ltd for the financial year ended 31 December 2023 there have been:

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

A handwritten version of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'Chris Sargent'.

Chris Sargent

*Partner*

Melbourne

18 March 2024

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

# Overview of financial results

for the year ended 31 December 2023

	2023	2022
	\$'000s	\$'000s
<b>Revenue</b>		
Member fees and subscription	100,429	93,539
Education and CPA Program	59,429	58,715
Professional development	7,301	8,215
Other services	5,836	3,564
Marketing, promotion and publications	1,187	1,825
Finance income	4,053	4,027
<b>Total revenue</b>	<b>178,235</b>	<b>169,885</b>
<b>Operating expenses</b>		
Employee benefits	(86,375)	(87,480)
Education and CPA Program	(17,003)	(18,644)
Computer hardware and software licences	(11,849)	(10,500)
Professional services	(9,376)	(14,605)
Printing and communication	(4,875)	(5,745)
Advertising and promotion	(3,958)	(4,553)
Rent and outgoings	(5,647)	(5,418)
Catering and entertainment	(3,172)	(4,210)
Travel and accommodation	(2,427)	(2,230)
Other costs	(6,005)	(6,667)
<b>Total operating expenses</b>	<b>(150,687)</b>	<b>(160,052)</b>
<b>Operating surplus before depreciation and finance costs</b>	<b>27,548</b>	<b>9,833</b>
Depreciation	(16,500)	(15,536)
Finance costs	(1,604)	(1,599)
<b>Net operating surplus/(deficit) after depreciation and finance costs</b>	<b>9,444</b>	<b>(7,302)</b>
Strategic project expenditure	(14,898)	(15,799)
<b>Net deficit after strategic project expenditure</b>	<b>(5,454)</b>	<b>(23,101)</b>
Changes in the fair value of financial assets	5,324	(11,036)
Gain on sale of financial assets	218	1,514
Net foreign exchange gain	266	5
<b>Net surplus/(deficit) after FX and revaluation of investments</b>	<b>354</b>	<b>(32,618)</b>
Tax benefit/(expense)	470	(1,182)
<b>Total comprehensive income/(loss) for the year</b>	<b>824</b>	<b>(33,800)</b>

# Discussion and analysis of the financial results 2023

In 2023, CPA Australia continued to invest in key initiatives that support the organisational strategy. The organisation continued to invest in the MMF program, the progression policy, and investment in a new operating model that will set the organisation up for long term financial sustainability. In addition to this, we continued to support members with access to complimentary professional development, hardship membership discounts and continued opportunity to complete CPA Program exams online. CPA Australia also continued to enhance our thought leadership and advocacy for members and the public interest.

The continued ability to invest in strategic initiatives that enhance member experiences and build organisational capability is underpinned by a sustainable operating model that delivers operating surpluses. The overview of financial results highlights the effectiveness of the base operating model with total revenue of \$178.2m and total operating expenses of \$150.7m allowing for an operating surplus of \$27.5m.

After depreciation and finance costs are included, \$16.5m and \$1.6m respectively, a net surplus prior to strategic projects of \$9.4m provides opportunity to fund further investment in services for members. During 2023, notable investment was made to finalise the MMF program and implement a new operating model to better align the organisation's structure to support the long term strategic objectives defined within the CPA Australia strategy 2022–27.

After investment of \$14.9m in strategic initiatives the organisation presented a net deficit of \$5.5m before income tax, FX and investment mark to market.

This deficit converted to a net surplus of \$0.4m before income tax, driven largely by increases in fair value of financial assets held during the year.

After tax adjustments the organisation presented a positive comprehensive income result of \$0.8m which represents a \$34.6m improvement against 2022.

## FINANCIAL RESULTS

As foreshadowed in the 2022 Integrated Report, the Group delivered an operating deficit before tax in 2023 of \$1.9m (2022 deficit: \$31.3m) and overall comprehensive income of \$0.8m (after tax, defined benefit, FX and unrealised gain on investments) (2022 overall comprehensive loss: \$33.8m). The significant, \$34.6m financial turnaround compared to 2022 was a result of a new operating model, a focus on reducing discretionary spend, lower MMF program investment and a moderate price increase.

## REVENUE

Overall revenue was higher in 2023 at \$178.2m (2022: \$169.9m). Contributing to the overall increase was membership and education revenue. Slight increases in membership and program fees provided the organisation an opportunity to further support members with complimentary professional development, online exams and delivery of the MMF program. Migration assessment revenue finished strong as the Australian Federal Government issued an unplanned visa round for skilled accounting occupations in December 2022. CPA Virtual Congress produced strong engagement with 10,218 participants.

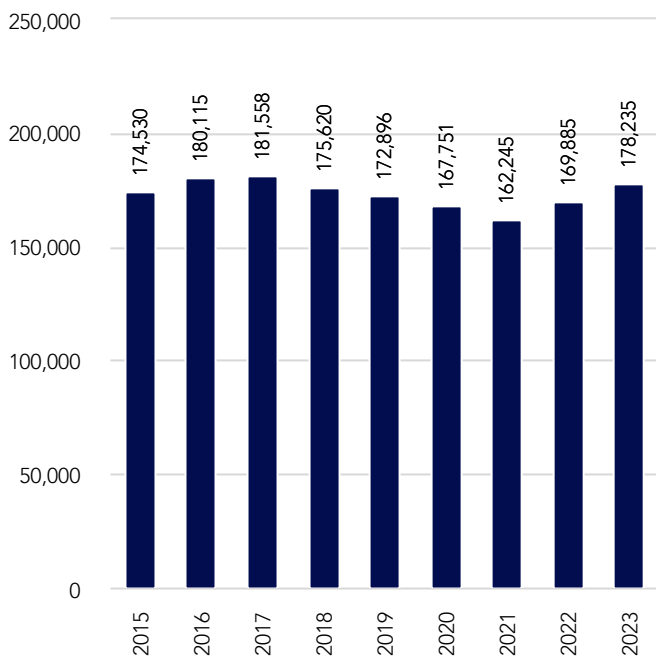
The Group ended the year with 173,431 members (2022: 172,333) which was driven by steady membership retention rates and growth of new members joining.

**EXPENDITURE**

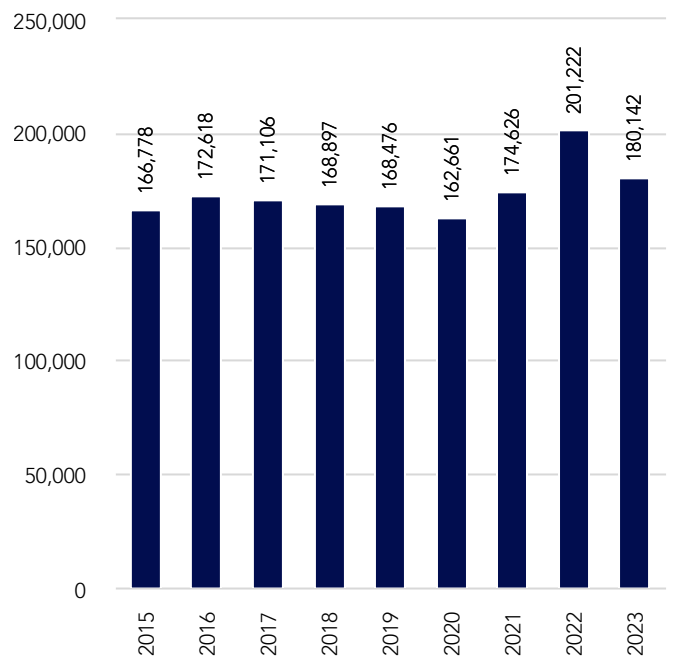
Expenditure before tax was \$21m lower than 2022 at \$180.1m (2022: \$201.2m). As the organisation starts realising the benefits of the new operating model in the second half of the year, activities members found less valuable ceased, which had a positive impact on overall operating spend.

Employee costs were higher in 2023 at \$89.8m (2022: \$88.8m). This was mainly driven by an overall wage index increase, superannuation increase and redundancy costs as a result of the new operating model. Computer license and hardware increased due to the MMF program. Significant savings were produced in CPA Program, advertising, professional services, printing and communication, travel and other staff costs as a result of the new operating model and a focus on reducing discretionary spend.

**Total revenue (\$'000's)**



**Total expenditure excluding tax (\$'000's)**



# Discussion and analysis of the financial results 2023

## TAXATION

The income tax benefit recognised in profit or loss for 2023 is \$0.5m (2022: income tax expense \$1.2m). The total income tax expense recognised in other comprehensive income for the year is \$0.5m (2022: income tax benefit of \$1.1m). This is primarily attributable to the deferred tax recognised on temporary differences at balance date. Further details are contained in Note 6 on pages 120 to 123.

## FOREIGN EXCHANGE

Foreign currency cash is held to meet the short-term working capital requirements of foreign operations. Any excess cash is returned to Australia to reduce the Group's exposure to fluctuations in exchange rates. Exchange rate fluctuations contributed to a foreign exchange loss on translation of cash of \$0.07m for the full year (2022: \$0.05m gain). A foreign exchange gain of \$0.3m (2022: \$0.05m loss) on translation of foreign operations for the year ended 31 December 2023 is recognised in other comprehensive income.

## CASH FLOW

The net cash inflows from operating activities increased by \$1.6m during 2023 to positive \$1.6m (2022: decreased \$6.7m) attributable to higher receipts from operations and partially offset by an increase in payments to suppliers and employees during the year.

## INVESTMENTS

The Group's total investment portfolio return inclusive of returns on working capital accounts was \$4.1m (2022: \$4.0m). The investment portfolio returned an unrealised gain of \$5.3m in 2023 (2022: \$11m loss).

## BALANCE SHEET

The Group's balance sheet reflects net assets increasing by \$0.8m or 1.2 per cent compared to 2022, which is largely attributable to the 2023 surplus driven by a focus on reducing discretionary spend, lower MMF program investment and a moderate price increase.

Cash and cash equivalents increased by \$6.5m compared to 2022 which is primarily due to the surplus discussed above, drawdown in other financial assets and higher revenue received in advance at year end.

Trade and other receivables has increased to \$3.3m in 2023 (2022: \$1.9m).

Other current assets are \$0.5m lower than the prior year due to a decrease in prepaid expenses.

Current and non-current other financial assets are lower than 2022 by \$6.9m which is attributable to a reduction of non-current other financial assets to fund investment in strategic projects offset by an increase of \$5.3m in the market value of non-current other financial assets.

Property, plant and equipment has decreased by \$5.1m to \$23.7m (2022: \$28.8m) which relates to additions, disposal of assets and the depreciation charged during the year. Further detail of this movement is outlined in note 11.

Intangible assets are lower than 2022 by \$0.4m, which is directly attributable to the addition of SaaS arrangements offset by the amortisation charged during the year.

Current and non-current provisions ended the year \$0.6m lower than 2022. This is primarily due to a decrease in provisions related to employee benefits.

Trade and other payables were lower by \$7.1m compared to the previous year; this is due to a timing difference in payments to trade creditors.

Other contract liabilities were \$3.6m higher than 2022 which is due to higher subscriptions and fees received in advance.



---

## Assets<sup>1</sup>

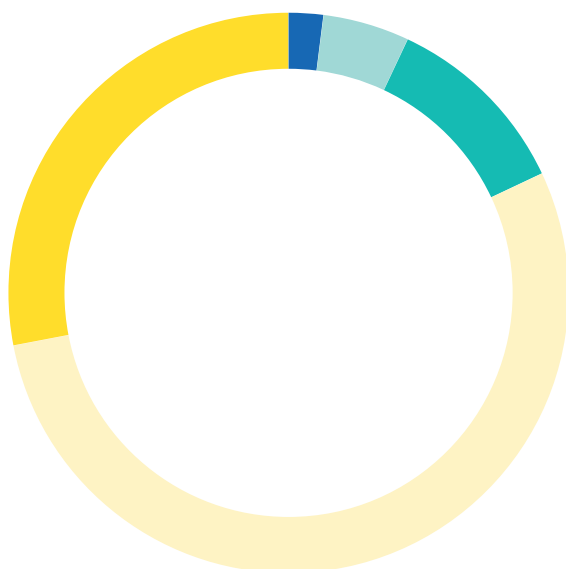


- 31% Cash and cash equivalents
- 1% Trade and other receivables
- 36% Other financial assets
- 14% Right-of-use asset
- 8% Other assets (incl intangibles)
- 10% Property, plant and equipment

1 Figures are rounded and may not equal 100 per cent.

---

## Liabilities<sup>1</sup>



- 2% Non-current provisions
- 5% Current provisions
- 11% Trade and other payables
- 54% Subscriptions and fees in advance
- 28% Lease liabilities

1 Figures are rounded and may not equal 100 per cent.

# Statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

	Note	Consolidated	
		2023 \$'000s	2022 <sup>1</sup> \$'000s
Revenue	3	174,182	165,858
Finance income	4	4,053	4,027
Employee benefits expense	5.a	(89,758)	(88,824)
Education and CPA Program expense	5.b	(14,306)	(15,357)
Advertising and promotion expense	5.c	(3,958)	(4,591)
Rent and outgoings expense		(5,647)	(5,418)
Computer hardware and software licences expense		(11,861)	(10,706)
Event delivery expense	5.d	(2,697)	(3,296)
Professional services expense	5.e	(17,653)	(24,622)
Printing and communication expense	5.f	(4,875)	(5,750)
Travel and catering expense	5.g	(5,631)	(6,467)
Other staff costs	5.h	(3,194)	(4,153)
Depreciation and amortisation expense	11, 12, 13	(16,500)	(15,536)
Finance costs		(1,604)	(1,599)
Net foreign exchange gain/(loss)		(72)	53
Gain/(loss) on sale of financial assets at FVTPL		(219)	206
Changes in the fair value of financial assets at FVTPL		3,838	(8,495)
Loss allowance for trade receivables		(190)	(209)
Loss on sale of property, plant and equipment		(2)	(2)
Other expenses	5.i	(5,813)	(6,456)
<b>Deficit before income tax</b>		<b>(1,907)</b>	<b>(31,337)</b>
Tax benefit/(expense)	6	470	(1,182)
<b>Deficit for the year</b>		<b>(1,437)</b>	<b>(32,519)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in the fair value of equity investments at FVOCI		1,337	(2,184)
Gain/(loss) on sale of financial assets at FVOCI		437	1,308
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		338	(48)
Changes in the fair value of debt instruments at FVOCI		149	(357)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>2,261</b>	<b>(1,281)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>824</b>	<b>(33,800)</b>

<sup>1</sup> Comparative information related to expenses has been re-presented due to a change in classification. See Note 5 (j) for additional detail.

## CPA Australia 2023 financial statements

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 112 to 146.

# Statement of financial position

as at 31 December 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
<b>Current assets</b>			
Cash and cash equivalents	7	74,563	68,077
Trade and other receivables	8	3,293	1,919
Other financial assets	10	-	272
Other assets	9	5,423	5,936
<b>Total current assets</b>		<b>83,279</b>	<b>76,204</b>
<b>Non-current assets</b>			
Other financial assets	10	85,667	92,332
Deferred tax assets	6.d	346	79
Property, plant and equipment	11	23,665	28,811
Intangible assets	12	11,701	12,149
Right-of-use asset	13.a	33,665	35,910
Other assets	9	663	578
<b>Total non-current assets</b>		<b>155,707</b>	<b>169,859</b>
<b>Total assets</b>		<b>238,986</b>	<b>246,063</b>
<b>Current liabilities</b>			
Trade and other payables		18,824	25,967
Provisions	14	8,349	8,708
Lease liabilities	13.b	7,468	7,536
Contract liabilities	15	91,156	87,592
<b>Total current liabilities</b>		<b>125,797</b>	<b>129,803</b>
<b>Non-current liabilities</b>			
Provisions	14	3,123	3,335
Lease liabilities	13.b	39,439	43,122
<b>Total non-current liabilities</b>		<b>42,562</b>	<b>46,457</b>
<b>Total liabilities</b>		<b>168,359</b>	<b>176,260</b>
<b>Net assets</b>		<b>70,627</b>	<b>69,803</b>
<b>Members' funds</b>			
Reserves		7,980	6,156
Retained surplus		62,647	63,647
<b>Total members' funds</b>		<b>70,627</b>	<b>69,803</b>

CPA Australia 2023 financial statements

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 112 to 146.

# Statement of changes in members' funds

for the year ended 31 December 2023

	Consolidated			Total
	Investment revaluation reserve	Foreign currency translation reserve	Retained surplus	
	\$'000s	\$'000s	\$'000s	
Balance at 1 January 2022	7,108	1,637	94,858	103,603
Other comprehensive income	(2,541)	(48)	1,308	(1,281)
Deficit for the year	-	-	(32,519)	(32,519)
<b>Balance at 1 January 2023</b>	<b>4,567</b>	<b>1,589</b>	<b>63,647</b>	<b>69,803</b>
Other comprehensive income	1,486	338	437	2,261
Deficit for the year	-	-	(1,437)	(1,437)
<b>Balance at 31 December 2023</b>	<b>6,053</b>	<b>1,927</b>	<b>62,647</b>	<b>70,627</b>

## CPA Australia 2023 financial statements

The statement of changes in members' funds is to be read in conjunction with the notes to the financial statements set out on pages 112 to 146.

# Statement of cash flows

for the year ended 31 December 2023

	Note	Consolidated	
		2023 \$'000s	2022 \$'000s
<b>Cash flows from operating activities</b>			
Receipts from operations		188,415	181,260
Payments to suppliers and employees		(185,316)	(179,766)
Interest on leases	13.b	(1,539)	(1,570)
<b>Net cash (outflows)/inflows from operating activities</b>	7	<b>1,560</b>	<b>(76)</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment and intangible assets	11, 12	(4,143)	(13,668)
Net receipts/(payments) for deposits less than 1 year but greater than 90 days		272	19,001
Net receipts/(payments) for deposits greater than 1 year		(274)	-
Proceeds from sale of investments		17,004	24,008
Purchase of investments		(3,999)	(22,442)
Investment interest and dividends received		3,789	3,842
<b>Net cash (outflows)/inflows from investing activities</b>		<b>12,649</b>	<b>10,741</b>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities	13.b	(8,262)	(7,668)
<b>Net cash outflows from financing activities</b>		<b>(8,262)</b>	<b>(7,668)</b>
Net increase/(decrease) in cash and cash equivalents held		5,947	2,997
Cash and cash equivalents at the beginning of the financial year		68,077	66,927
Effects of exchange rate changes in the balance of cash held in foreign currencies		539	(1,847)
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>74,563</b>	<b>68,077</b>

## CPA Australia 2023 financial statements

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 112 to 146.

# Notes to the financial statements

## 01 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group adopts all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current annual reporting period.

### Change in accounting policy

#### 1 (a) Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 112. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see Note 6 (d)).

#### 1 (b) Global minimum top-up tax

The Group has assessed International Tax Reform – Pillar Two Model Rules (Amendments to AASB 112) upon their release in July 2023. The revenue of the consolidated group does not breach the required threshold to be captured within the scope of the Pillar Two Model Rules (amendments to AASB 112), as such the Group has no exposure as a result of these amendments.

#### 1 (c) Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to AASB 101) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

#### Standards issued but not yet effective

A number of Australian Accounting Standards, Interpretations and Amendments are in issue but are not yet effective and have not been applied in preparing these financial statements. These are not expected to have a material impact on the Group's financial statements when applied.

## 02 SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2 (a) Basis of preparation

The general purpose consolidated financial statements have been prepared on an accruals basis and are based on historical costs. They do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available under ASIC Legislative Instrument 2016/191.

### 2 (b) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Interpretations and other authoritative pronouncements of the AASB. CPA Australia is a not-for-profit entity for the purpose of preparing the financial statements, however there is no impact on the recognition and measurement of amounts from applying paragraphs specific to not-for-profit entities. Therefore, compliance with Australian Accounting Standards results in full compliance with the IFRS as issued by the IASB.

As at 31 December 2023, current liabilities are \$42.5m greater than current assets. This is mainly due to draw down of other financial assets to fund strategic projects.



It is also impacted by deferred revenue, a non-cash item being classified as a current liability. The Group has sufficient liquidity to pay its debts as and when they become due and payable. Consequently, the Directors have prepared the financial statements on a going concern basis.

CPA Australia is limited by guarantee and domiciled in Australia.

The consolidated financial statements for the year ended 31 December 2023 were authorised by the Board of Directors on 18 March 2024.

## 2 (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 to obtain benefits from its activities.

All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

## 2 (d) 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.

## 2 (e) 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 or loss in the period they occur.

### Foreign currency operations

The assets and liabilities of the Group'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 charged/credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

## 2 (f) Comparative amounts

When a change in accounting policy is applied retrospectively in accordance with Australian Accounting Standards, we have adjusted the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

## 2 (g) Critical judgements in applying the Group'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
- experience of employee departures and period of service.

### Intangible and other assets

Management's judgement is applied to depreciation/ amortisation rates, useful lives and residual values.

### SaaS arrangements

Note 12 describes the Group's accounting policy in respect of configuration and customisation costs incurred in implementing SaaS arrangements. In applying the Group's accounting policy, the Directors made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements:

- i. Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

- ii. Capitalisation of configuration and customisation costs in SaaS arrangements.

In implementing SaaS arrangements, the Group has developed software code that enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloudbased application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

#### Deferred tax assets

Deferred tax assets in respect of current and prior period accumulated tax losses are not (unless related to overseas jurisdictions) recognised at balance sheet date as management has assessed that it is not probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

### 03 REVENUE

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Revenue from contracts with customers</b>		
Member fees and subscriptions	100,429	93,539
Education and CPA Program	59,429	58,715
Professional development	7,301	8,215
Other services	5,836	3,564
Marketing, promotion and publications	1,187	1,825
	<b>174,182</b>	<b>165,858</b>

#### 3 (a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines and the timing of revenue recognition.

	Consolidated					Total
	Member fees and subscriptions	Education and CPA Program	Professional development	Other services	Marketing, promotion and publications	
2023	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue from contracts with customers	100,429	59,429	7,301	5,836	1,187	174,182
<b>Timing of revenue recognition</b>						
At a point in time	1,851	2,567	7,301	5,836	1,187	18,742
Over time	98,578	56,862	-	-	-	155,440
	<b>100,429</b>	<b>59,429</b>	<b>7,301</b>	<b>5,836</b>	<b>1,187</b>	<b>174,182</b>
<b>2022</b>						
Revenue from contracts with customers	93,539	58,715	8,215	3,564	1,825	165,858
<b>Timing of revenue recognition</b>						
At a point in time	2,176	3,221	8,215	3,564	1,825	19,001
Over time	91,363	55,494	-	-	-	146,857
	<b>93,539</b>	<b>58,715</b>	<b>8,215</b>	<b>3,564</b>	<b>1,825</b>	<b>165,858</b>

### **Member fees and subscriptions**

The membership subscription year runs 1 January to 31 December, with subscriptions payable annually in advance. Only those membership fees and subscriptions that are attributable to the current financial year are recognised as revenue over time. 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 – contract liabilities.

### **Education and CPA Program**

Education and CPA Program revenue is recognised as associated performance obligations are satisfied. Payments are received in advance except in a small number of cases where customers are invoiced, and payment is due within 30 days. Revenue that relates to future periods is shown in the statement of financial position as subscriptions and fees in advance under the heading of current liabilities – contract liabilities.

### **Professional development**

Professional development revenue is recognised at a point in time as events are delivered or as goods are transferred to customers. Payments are generally received in advance; where customers are invoiced, payment is due within 30 days. Revenue that relates to future periods is shown in the statement of financial position as subscriptions and fees in advance under the heading of current liabilities – contract liabilities.

### **Marketing, promotion and publications**

Revenue from marketing, promotion and publications activity is recognised at the time of the sponsored event or publication issue. Payment is due from customers within 30 days of invoicing. Where payment is received in advance, it is recognised as a liability until the performance obligation is satisfied.

### **Other revenue generating activities**

Revenue from other contracts with customers is transferred at a point in time when performance obligations are satisfied by transferring promised goods or services to customers. Payment is due from customers within 30 days of invoicing.

### 3 (b) Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Receivables (included in trade and other receivables)	3,098	1,637
Loss allowance	(194)	(128)
Total receivables	2,904	1,509
Subscriptions and fees received in advance	91,156	87,592

Subscriptions and fees in advance are shown in the statement of financial position under the heading of current liabilities – contract liabilities; this represents advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.

Significant changes in contract balances during the period are as follows:

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Revenue recognised that was included in the subscriptions and fees received in advance balance at the beginning of the period	87,592	84,258
Increases due to cash received, excluding amounts recognised as revenue during the period	(91,156)	(87,592)

### 3 (c) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2023.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Member fees and subscriptions	72,207	68,529
Education and CPA Program	18,892	18,559
Professional development	57	(111)
Other services	-	615
	91,156	87,592

### 04 FINANCE INCOME

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Dividends and distributions	2,793	3,439
Interest income on:		
Financial assets held as investments	798	484
Bank deposits	462	104
	4,053	4,027

#### Dividends and distributions

Dividends are recognised as finance income in profit or loss when the right to receive payment is established.

#### Interest

Interest is recognised as finance income in profit or loss using the effective interest rate method.

## 05 EXPENDITURE

### 5 (a) Employee benefits

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Salaries and other benefits	82,224	81,672
Defined contribution	7,241	6,984
Fringe benefits tax	293	168
	89,758	88,824

### 5 (b) Education and CPA Program expense

Exam delivery	8,447	8,533
Exam and content development	5,859	6,824
	14,306	15,357

### 5 (c) Advertising and promotion expense

Acquisition advertising	2,591	3,035
Member engagement activity	571	545
Sponsorships	297	423
Business development activity	218	212
Research prizes and grants	165	10
Other	92	344
Media monitoring	24	22
	3,958	4,591

### 5 (d) Event delivery expense

Professional development events	2,556	3,034
Member engagement events	126	217
Recruitment events	11	12
Education events	4	33
	2,697	3,296

#### 5 (e) Professional services expense

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Strategic investment	8,228	9,742
Corporate support	2,568	2,802
Technology projects	1,926	4,363
Business development activity	1,078	1,510
Publications	730	1,196
Professional conduct activity	714	606
Governance	654	747
Product development and delivery	655	2,159
Legal	560	796
AGM	390	236
Strategic review	150	466
	<b>17,653</b>	<b>24,622</b>

#### 5 (f) Printing and communication expense

Telephone, internet and WAN costs	1,018	1,342
Printing and stationery	1,297	2,096
Postage	1,970	1,659
Publications	438	456
Other	152	197
	<b>4,875</b>	<b>5,750</b>

#### 5 (g) Travel and catering expense

Member engagement activity	2,282	3,238
Business development activity	1,194	892
Corporate support	955	1,014
Board and internal audit	634	680
Education and professional development activity	368	374
Public practice activity	21	49
Advocacy	118	177
Professional conduct activity	20	22
Strategic projects	39	21
	<b>5,631</b>	<b>6,467</b>

#### 5 (h) Other staff costs

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Agencies employment expense	1,591	1,465
Staff recruitment	802	1,339
Staff training and development	476	1,060
Other staff costs	325	288
	<b>3,194</b>	<b>4,153</b>



### 5 (i) Other expenses

Memberships and contributions	<b>2,902</b>	2,805
Merchant fees and bank fees	<b>1,888</b>	2,814
CPA Australia Best Practice Program	<b>312</b>	488
Other	<b>711</b>	349
	<b>5,813</b>	<b>6,456</b>

### 5 (j) Change in classification

During 2023 the Group modified the classification of certain expenses in order to offer a better representation of the nature of the expense that has been incurred.

Comparative amounts in the Statement of profit or loss and other comprehensive income were reclassified for consistency. These included:

- a reclassification of printing and communication expenses from "Education and CPA Program expense" to "Printing and communication expense" totalling \$2.3m
- a reclassification of event related travel and catering expenses from "Event delivery expense" to "Travel and catering expense" totalling \$3.3m
- a reclassification of event related software service expense from "Event delivery expense" to "Computer hardware and software licences expense" totalling \$0.6m
- a reclassification of CPA Program related software service expense from "Education and CPA Program expense" to "Computer hardware and software licences expense" totalling \$0.5m.

## 06 TAXATION

As an organisation that is carried on for the benefit of its members collectively, not individually, the Group applies the principle of mutuality which is a common law principle based on the premise that individuals (members in the case of CPA Australia) cannot derive taxable income from themselves.

In applying the principle of mutuality, revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual income are likewise not tax deductible for income tax purposes. The principle of mutuality does not extend to all other receipts and payments of the Group and as such these need to be classified for income tax purposes in accordance with Australian income tax legislation.

Expenditure of the Group has been apportioned between mutual and non-mutual income using an appropriate methodology which has been validated by external tax advisors.

In addition to its Australian operations, the Group also operates in a number of overseas jurisdictions. The revenue derived by the foreign branches of CPA Australia are generally not subject to Australian income tax. Expenses associated with the activities of the foreign branches of CPA Australia are similarly not tax deductible under Australian income tax law.

CPA Australia's transfer pricing policy is guided by the broader taxation policy of the Group and has regard to both the arm's length standard as set out in the Organisation for Economic Co-operation and Development Guidelines, and the local transfer pricing requirements in the jurisdictions in which the Group has a presence.

### 6 (a) Income tax recognised in profit or loss

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Tax expense overseas entities	25	93
Deferred tax (benefit)/expense (refer 6(d))	(495)	1,089
<b>Total income tax (benefit)/expense</b>	<b>(470)</b>	<b>1,182</b>

## 6 (b) Reconciliation of prima facie income tax

The assessable income of the Group for income tax purposes comprises only certain income deemed to be derived from non-member activities. Allowable deductions for income tax are limited to certain expenses incurred in deriving non-member income 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:

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Surplus/(deficit) before income tax	(1,907)	(31,337)
Income tax (benefit)/expense calculated at 25%	(477)	(9,401)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Mutual revenue	(41,886)	(45,407)
Mutual expenses	36,490	47,300
Foreign operations revenue	(5,010)	(5,571)
Foreign operations expenditure	6,592	7,494
Other tax adjustments	3,331	3,740
	(959)	(1,845)
Tax effect of:		
Temporary differences	573	(3,037)
(Recognition)/derecognition of prior year tax losses as deferred assets	(110)	5,971
Impact of tax in foreign jurisdiction	25	93
	489	3,027
<b>Total income tax (benefit)/expense</b>	<b>(470)</b>	<b>1,182</b>

Non-mutual operating and investment revenue totalled \$22.6m in 2023 (2022: \$23.2m). Non-mutual operating expenditure totalled \$19.8m in 2023 (2022: \$26.1m). This gives rise to a non-mutual taxable profit of \$2.7m (2022: loss \$2.9m) prior to any tax adjustments.

The tax rate used in the above 2023 reconciliation is the base rate entity corporate tax rate of 25 per cent payable by Australian corporate entities that are eligible for reduced corporate tax on taxable profits under Australian tax law. The tax rate used in the above 2022 comparative reconciliation is the corporate tax rate of 30 per cent payable by Australian corporate entities on taxable profits under Australian tax law.

Based on aggregate turnover CPA Australia Ltd. has been deemed eligible for a reduced corporate tax rate as a qualifying base rate entity and as such has applied the lower rate of 25 per cent in 2023 as opposed to 30 per cent in 2022.

#### 6 (c) Income tax recognised in other comprehensive income

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Deferred tax expense/(benefit) arising on the fair value remeasurement of equity investments at FVOCI (refer 6 (d))	445	(936)
Deferred tax expense/(benefit) arising on the fair value remeasurement of debt instruments at FVOCI (refer 6 (d))	50	(153)
<b>Total income tax recognised in other comprehensive income</b>	<b>495</b>	<b>(1,089)</b>

The deferred tax expense arising on the fair value measurement of equity investments and debt instruments is included in the changes in the fair value of equity investments and debt instruments in other comprehensive income in the statement of profit or loss and other comprehensive income.

## 6 (d) Deferred tax assets (DTAs)/(liabilities) arise from the following

	Opening balance 2022	Recognised in profit or loss	Recognised in other comprehensive income	Foreign Operations	Consolidated		Recognised in profit or loss	Recognised in other comprehensive income	Foreign Operations	Closing balance 2023
					Closing balance 2022	Restated closing balance (@25% tax rate)				
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s		\$'000s	\$'000s	\$'000s	\$'000s
Investments	(4,836)	2,548	1,089	-	(1,199)	(998)	(959)	(495)	-	(2,452)
Property, plant and equipment	(44)	364	-	-	320	266	499	-	-	765
Employee benefits	284	97	-	-	381	317	(109)	-	-	208
Provisions	16	3	-	-	19	16	(8)	-	-	8
Lease liabilities	894	69	-	-	963	803	1	-	-	804
Right of use asset	(1,058)	(44)	-	-	(1,102)	(918)	3	-	-	(915)
Tax losses	4,743	(4,126)	-	-	617	514	1,068	-	-	1,582
Foreign subsidiaries	69	-	-	10	79	66	-	-	280	346
	69	(1,089)	1,089	10	79	66	495	(495)	280	346

CPA Australia Ltd is part of a tax consolidated group and remains part of the tax sharing and funding agreement. In 2021, CPA Australia's subsidiary CPA Advice Pty Ltd was deregistered and exited its tax sharing and funding agreement with the consolidated group.

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 assets are recognised for all deductible temporary differences. The Group has recognised a deferred income tax asset for all carry forward tax losses to such an extent so that total net deferred income tax assets and liabilities are nil. Any deferred tax asset related to other tax jurisdictions are recognised in the balance sheet. Further details on the deferred tax assets not brought to account are outlined below.

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 profit or loss and other comprehensive income.

### 6 (e) Deferred tax assets (DTAs) not brought to account

Deferred tax assets not brought to account are as follows:

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Tax losses not recognised as DTAs	7,232	8,595

## 07 CASH AND CASH EQUIVALENTS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Current</b>		
Cash at bank and in hand	59,563	55,077
Deposits at call	15,000	13,000
	<b>74,563</b>	<b>68,077</b>

Cash and cash equivalents comprise cash on hand, cash at bank, at call deposits and bank bills maturing within less than 90 days from the date of inception.

Cash and cash equivalents increased due to a drawdown in other financial assets and higher revenue received in advance at year end.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Inflow from operating activities</b>		
Deficit for the year	(1,437)	(32,519)
<b>Plus/(minus) non-operating items:</b>		
Interest and dividend income received	(4,053)	(4,027)
Net loss on sale of property, plant and equipment	2	2
Net (gain)/loss on sale of financial assets at FVTPL	219	(206)
<b>Plus/(minus) non-cash items:</b>		
Depreciation and amortisation	16,500	15,536
Foreign exchange translation	72	(53)
Addback loss allowance on trade receivables	190	209
Deferred tax adjustment	(719)	1,089
Make-good gain	(14)	(40)
(Gain)/loss on revaluation of financial assets at FVTPL	(3,838)	8,495
Finance costs	64	26
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	(1,398)	68
(Increase)/decrease in other assets	160	125
Increase/(decrease) in payables	(7,181)	5,973
Increase/(decrease) in subscriptions and fees in advance	3,564	3,334
Increase/(decrease) in provisions	(571)	1,912
<b>Net cash inflow/(outflows) from operating activities</b>	<b>1,560</b>	<b>(76)</b>

## 08 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Current assets</b>		
Trade and other receivables	3,114	1,650
Loss allowance	(194)	(128)
	2,920	1,522
Other receivables:		
Accrued interest on bank deposits	42	35
Accrued interest on financial assets at amortised cost	46	32
Accrued dividends on financial assets	284	330
	373	397
	3,293	1,919

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore classified as current. No interest is charged on outstanding trade receivables. Trade receivables are recognised initially at the transaction amount. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

In determining the recoverability of a trade receivable, the Group 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 consist of many 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 group of counter parties having similar characteristics and the maximum exposure to credit risk is equal to the value of our receivables.

The movement in the allowance for impairment in respect of trade receivables is as follows:

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Movement in loss allowance</b>		
Balance at 1 January	128	95
Remeasurement of loss allowance	66	33
Balance at the end of the year	194	128

Details on the calculation of the loss allowance are provided in Note 22.

## 09 OTHER ASSETS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Current</b>		
Prepayments	5,247	5,902
Security deposit and other	176	34
	5,423	5,936
<b>Non-current</b>		
Security deposit and other	663	578
	663	578

## 10 OTHER FINANCIAL ASSETS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Current</b>		
Deposits greater than 90 days, less than one year	-	272
	-	272
<b>Non-current</b>		
Deposits greater than one year	274	-
Financial assets at fair value through profit or loss (FVTPL)	60,377	61,719
Financial assets at fair value through other comprehensive income (FVOCI)	25,016	30,613
	85,667	92,332

Details on accounting policies for financial assets are outlined in Note 22.

## 11 PROPERTY, PLANT AND EQUIPMENT

	Building at cost	Plant and equipment and leasehold improvements at cost	Consolidated Library books at cost	Capital work in progress	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Gross carrying amount</b>					
Balance at 1 January 2022	3,800	56,244	52	1,600	<b>61,696</b>
Additions	-	74	11	7,853	<b>7,938</b>
Derecognition of assets	-	(7,375)	(17)	-	<b>(7,392)</b>
Transfers to/from asset class	-	7,869	-	(7,869)	-
<b>Balance at 1 January 2023</b>	<b>3,800</b>	<b>56,812</b>	<b>46</b>	<b>1,584</b>	<b>62,242</b>
Additions	-	18	-	2,255	<b>2,273</b>
Derecognition of assets	-	(1,245)	-	-	<b>(1,245)</b>
Transfers to/from asset class	-	298	-	(298)	-
<b>Balance at 31 December 2023</b>	<b>3,800</b>	<b>55,883</b>	<b>46</b>	<b>3,541</b>	<b>63,270</b>
<b>Accumulated depreciation and impairment</b>					
Balance at 1 January 2022	(1,824)	(31,910)	(25)	-	<b>(33,759)</b>
Derecognition of assets	-	7,250	17	-	<b>7,267</b>
Depreciation	(76)	(6,854)	(10)	-	<b>(6,940)</b>
<b>Balance at 1 January 2023</b>	<b>(1,900)</b>	<b>(31,514)</b>	<b>(18)</b>	-	<b>(33,432)</b>
Derecognition of assets	-	1,160	-	-	<b>1,160</b>
Depreciation	(76)	(7,247)	(10)	-	<b>(7,333)</b>
<b>Balance at 31 December 2023</b>	<b>(1,976)</b>	<b>(37,601)</b>	<b>(28)</b>	-	<b>(39,605)</b>
<b>Net book value</b>					
Property, plant and equipment as at 31 December 2022	1,900	25,298	28	1,584	<b>28,811</b>
Property, plant and equipment as at 31 December 2023	<b>1,824</b>	<b>18,282</b>	<b>18</b>	<b>3,541</b>	<b>23,665</b>



All items of property, plant and equipment are held by the parent.

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	50 Years
Strata title	50 Years
Property, plant and equipment	3 – 13 Years
Library books	5 Years

### Land and buildings

Valuations are obtained biannually and were obtained in 2022. All valuations received exceeded the assets 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 where there exists an obligation to restore the property to its original condition. These costs are included in the value of plant and equipment (comprising of leasehold improvements assets) with a corresponding provision for the restoration taken up.

### 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.

### Sale of non-current assets

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

## 12 INTANGIBLE ASSETS

	Intangible assets at cost	Consolidated Capital work in progress - intangible assets	Total
	\$'000s	\$'000s	\$'000s
<b>Gross carrying amount</b>			
Balance at 1 January 2022	24,294	2,779	<b>27,073</b>
Additions		7,541	<b>7,541</b>
Derecognition of assets	(68)	-	<b>(68)</b>
Transfers to/from asset class	3,745	(3,745)	-
<b>Balance at 1 January 2023</b>	<b>27,971</b>	<b>6,575</b>	<b>34,546</b>
Additions	-	1,876	<b>1,876</b>
Derecognition of assets	-	-	-
Transfers to/from asset class	8,451	(8,451)	-
<b>Balance at 31 December 2023</b>	<b>36,422</b>	<b>-</b>	<b>36,422</b>
<b>Accumulated amortisation and impairment</b>			
Balance at 1 January 2022	(20,925)	-	<b>(20,925)</b>
Derecognition of assets	68	-	<b>68</b>
Amortisation and impairment	(1,540)	-	<b>(1,540)</b>
<b>Balance at 1 January 2023</b>	<b>(22,397)</b>	<b>-</b>	<b>(22,397)</b>
Derecognition of assets	-	-	-
Amortisation and impairment	(2,324)	-	<b>(2,324)</b>
<b>Balance at 31 December 2023</b>	<b>(24,721)</b>	<b>-</b>	<b>(24,721)</b>
<b>Net book value</b>			
Intangible assets as at 31 December 2022	5,574	6,575	<b>12,149</b>
Intangible assets as at 31 December 2023	<b>11,701</b>	<b>-</b>	<b>11,701</b>

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss. Amortisation is recognised on a straight-line basis over their estimated useful lives as follows:

Core business systems	5 Years
Website	3 Years
Other software	3 Years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### Website costs

The primary focus of the Group's website is as an advertising, branding and information tool for the Group and its members. All maintenance and operational expenditure have been treated as expenses incurred in the period.

#### SaaS arrangements

SaaS arrangements are service contracts providing CPA Australia with the right to access the cloud provider's application software over the contract period. As such, the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits. These facts indicate that there is no ownership of the asset as the supplier controls the application software (intellectual property) to which CPA Australia has access. Where there is no ownership, control or possession of the asset, the cloud computing arrangement (SaaS) will be a service contract and costs are treated as operating expenditure in accordance with AASB 138 *Intangible Assets*.

Implementation costs including costs to configure or customise the cloud provider's application software under the SaaS are recognised as operating expenditure and are categorised as either being distinct or not distinct from the SaaS access to determine the timing of the expense. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

If the Group pays the supplier before receiving the customisation services, it recognises the prepayment as an asset and the asset is expensed when the service is supplied. Conversely, an accrued expense is recognised if it receives a service in advance of paying for that service.

Configuration and customisation costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset, are recognised as intangible software assets. Such costs of customisation or modification may be capitalised as a stand-alone software asset or part of the cost of an existing software asset provided the recognition criteria in AASB 138 *Intangible Assets* are met.

#### Impairment of intangible assets

At each reporting date, the Group reviews the carrying amounts of its intangible 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 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 recoverable amount of the cash-generating unit to which the asset belongs is estimated. 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.

## 13 LEASES

### 13 (a) Right-of-use asset

The Group leases properties in the jurisdictions from which it operates. In some jurisdictions, it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions, the periodic rent is fixed over the lease term.

	Consolidated Leased properties \$'000s
<b>Gross carrying amount</b>	
Balance at 1 January 2022	59,330
Additions/modification to right-of-use assets	4,706
Derecognition of right-of-use assets	(2,469)
Foreign exchange movements	887
<b>Balance at 1 January 2023</b>	<b>62,454</b>
Additions/modification to right-of-use assets	4,454
Derecognition of right-of-use assets	(726)
Foreign exchange movements	(122)
<b>Balance at 31 December 2023</b>	<b>66,060</b>
<b>Accumulated depreciation</b>	
Balance at 1 January 2022	(21,547)
Depreciation	(7,056)
Derecognition of right-of-use assets	2,469
Foreign exchange movements	(410)
<b>Balance at 1 January 2023</b>	<b>(26,544)</b>
Depreciation	(6,842)
Derecognition of right-of-use assets	726
Foreign exchange movements	265
<b>Balance at 31 December 2023</b>	<b>(32,395)</b>
<b>Net book value</b>	
Right-of-use asset as at 31 December 2022	35,910
<b>Right-of-use asset as at 31 December 2023</b>	<b>33,665</b>

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low-value assets and leases with a duration of 12 months or less. Lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income over the lease term.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease
- initial direct costs incurred.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

### 13 (b) Lease liabilities

	Leased properties \$'000s
<b>Reconciliation of lease liability</b>	
Balance at 1 January 2022	52,746
Additions/modification	4,707
Interest expense	1,570
Lease payments	(9,238)
Lease incentives received	380
Foreign exchange movements	493
<b>Balance at 1 January 2023</b>	<b>50,658</b>
Additions/modification	4,454
Interest expense	1,539
Lease payments	(9,801)
Foreign exchange movements	57
<b>Balance at 31 December 2023</b>	<b>46,907</b>

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate which is determined by obtaining interest rates from various external financing sources. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

Service charges are not included in the calculation of lease liabilities and are expensed in the statement of profit or loss and other comprehensive income. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability includes:

- amounts expected to be payable under any residual value guarantee
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate at the time of remeasurement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where renegotiating increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

#### Extension options

Some property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options.

The Group reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$16m.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Lease commitments<sup>1</sup></b>		
Less than one year	9,339	8,976
One to two years	8,290	8,300
Two to three years	8,221	7,259
Three to four years	7,573	7,260
Four to five years	7,535	7,003
More than five years	19,300	25,812
<b>Total</b>	<b>60,258</b>	<b>64,610</b>

<sup>1</sup> Lease commitments reflect the contractual undiscounted cash flows.

## 14 PROVISIONS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Current</b>		
Employee benefits	7,840	8,482
Restoration of leased properties	508	226
	8,349	8,708
<b>Non-current</b>		
Employee benefits	1,689	1,582
Restoration of leased properties	1,434	1,753
	3,123	3,335
	11,472	12,043

### Employee benefits

The employee benefits provision represents annual leave and vested and unvested long service leave entitlements accrued.

Employee benefits expected to be settled within one year after the end of the period in which the employees render the service have been measured at the amounts expected to be paid when the liabilities are settled and includes on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future payments to be made for those benefits. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that most closely match the terms of maturity of the related liabilities. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

	Consolidated	
	2023	2022
<b>Employee numbers</b>		
Average number of full-time equivalent employees (FTEs) during the financial year	559	594

### Restoration of leased properties

In accordance with AASB 116 *Property, Plant and Equipment* the Group recognises a restoration provision as part of the asset cost for leasehold improvements. The provision is reviewed annually in accordance with AASB 137 *Provisions, Contingent liabilities and Contingent assets* and AASB Interpretation 1 *Changes in existing decommissioning, restoration and similar liabilities*. At this time, the discount for the time value of money is unwound and recognised as a finance cost and circumstances are reviewed and the provision re-measured if required.

In 2023, the provision was re-measured based on changes in expected costs to restore applicable sites, lease terms, inflation and discount rates. This resulted in a decrease to the provision.

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Balance at 1 January	1,979	2,097
Provision credited to plant and equipment	(88)	(135)
Provision credited to profit or loss	(12)	(9)
Unwinding of discount and effect of changes in the discount rate	63	26
Balance as at 31 December	1,942	1,979

## 15 CONTRACT LIABILITIES

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Current</b>		
Subscriptions and fees received in advance	91,156	87,592
	91,156	87,592

## 16 PARENT ENTITY DISCLOSURE

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Financial position</b>		
<b>Assets</b>		
Current assets	<b>76,954</b>	70,211
Non-current assets	<b>154,002</b>	168,842
<b>Total assets</b>	<b>230,956</b>	239,053
<b>Liabilities</b>		
Current liabilities	<b>124,822</b>	128,892
Non-current liabilities	<b>40,716</b>	45,022
<b>Total liabilities</b>	<b>165,538</b>	173,914
<b>Net Assets</b>	<b>65,418</b>	65,139
<b>Members' funds</b>		
Retained surplus	<b>57,996</b>	59,458
Reserves		
Investment revaluation reserve	<b>6,053</b>	4,567
Foreign currency translation reserve	<b>1,369</b>	1,114
<b>Total members' funds</b>	<b>65,418</b>	65,139

As at 31 December 2023, current liabilities are \$47.9m greater than current assets. This is mainly due to draw down of other financial assets to fund strategic projects. It is also impacted by deferred revenue, a non-cash item being classified as a current liability. The Company has sufficient liquidity to pay its debts as and when they become due and payable.

## 17 COMMITMENTS

	Consolidated	
	2023	2022
	\$'000s	\$'000s
<b>Other non-cancellable contractual commitments</b>		
Not later than one year	<b>8,439</b>	12,751
Later than one year but not later than five years	<b>7,317</b>	7,733
Later than five years	<b>12,777</b>	12,990
	<b>28,533</b>	33,474

### Other contractual commitments

Other non-cancellable commitments include the Group's contribution to the strata administration and capital works fund in respect of the Sydney premises, software development costs and software licensing agreements.

The Group has no contractual commitments for the acquisition of property, plant and equipment as at the end of the reporting period.

### Other commitments

In 2023, the Group continued to support the following organisations: APESB, IFAC and the IFRS Foundation. Support of these organisations is aligned with our strategic goals to

protect, promote and enhance the integrity of the designation and to lead the future of the accounting profession.

The Group has provided support in 2023 to IFAC in the pursuit of their objectives. The contribution for the 2023 year was \$1,525,379 (2022: \$1,576,835).

As part of the undertakings with APESB, CPA Australia, CA ANZ and the Institute of Public Accountants contribute funds necessary for the pursuit of the objectives of APESB. The contributions for the 2023 year were \$550,000 (2022: \$485,000).

The Group has provided support in 2023 to the IFRS Foundation in the pursuit of their objectives. The contribution for the 2023 year was \$49,314 (2022: \$50,493).

These contributions are included in other expenses in the statement of profit or loss and other comprehensive income.

## 18 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 the Group being wound up would not exceed \$10 per member.

## 19 RELATED PARTIES

### 19 (a) Key management personnel

Key management personnel (KMP) are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

The following were KMP of CPA Australia Ltd during the reporting period. Directors of subsidiaries have only been included where they are also Directors of CPA Australia Ltd or are considered KMP of the Group. Unless otherwise indicated, the following non-executive Directors and executives were KMP for the entire period:

#### NON-EXECUTIVE DIRECTORS

Name	Title	Appointed / Resigned	Term End Date
Dale Pinto	President and Chair	Appointed 1 October 2023	30 September 2024
	Former Deputy President	Re-appointed 1 October 2022	30 September 2023
	Director	Re-appointed 1 October 2021	30 September 2024
Warren McRae	Deputy President	Re-appointed 1 October 2023	30 September 2024
	Director	Appointed 1 October 2021	30 September 2024
Louise Cox	Deputy President	Appointed 1 October 2023	30 September 2024
	Director	Re-appointed 1 October 2022	30 September 2025
Yew Kee Ho	Director	Appointed 1 October 2021	30 September 2024
Bernard Che-Wai Poon	Director	Re-appointed 1 October 2022	30 September 2025
Bryan Chung	Director	Appointed 1 October 2022	30 September 2025
Anthony Wright	Director	Re-appointed 1 October 2023	30 September 2026
Kaushika Jayalath	Director	Appointed 1 October 2023	30 September 2026
Anna Quinn	Director	Appointed 1 October 2023	30 September 2026
Sarah Adam-Gedge	Director	Appointed 1 October 2023	30 September 2026
Merran Kelsall	Former President and Chair	Retired 30 September 2023	Not applicable
	Former Director	Retired 30 September 2023	Not applicable
Rosemary Sinclair	Former Director	Retired 30 September 2023	Not applicable
Helen Lorigan	Former Director	Retired 30 September 2023	Not applicable



## EXECUTIVES

Name	Title	Appointed / Resigned / Ceased
Andrew Hunter <sup>1</sup>	CEO Director - CPA Australia (Shanghai) Co., Ltd	Ceased 31 December 2023
George Kapitelli	Chief Financial Officer	Appointed 14 February 2023
Luke Gilholme	Interim Chief Financial Officer	Ceased 31 March 2023
Farid Jarrar	Chief Information and Digital Officer	
	EGM Professional Standards and Business Support	Ceased 24 February 2023
Rebecca Keppel-Jones	Interim EGM Member Education	Appointed 25 February 2023 Ceased 20 August 2023
	Chief of Member Operations	Appointed 21 August 2023
Rowena Buddee <sup>2</sup>	EGM Member Experience Chief Member Experience Officer	
Marissa Alley <sup>2</sup>	EGM People and Culture Chief People Officer	
Claire Hopkins	Chief Learning and Innovation Officer	Appointed 21 August 2023 Resigned 22 December 2023
Elinor Kasapidis	Interim Chief Learning and Innovation Officer	Appointed 6 December 2023
Mitchell Ajduk	Interim EGM Professional Standards and Business Support	Appointed 25 February 2023 Ceased 4 June 2023
Karen Hellwig	EGM Member Education	Resigned 24 February 2023
Deborah Leung	EGM International Director - CPA Australia (Shanghai) Co., Ltd	Ceased 4 June 2023
Frances Buccheri	EGM Marketing and Communications	Ceased 5 June 2023
Gary Pflugrath	EGM Policy and Advocacy	Ceased 4 June 2023

<sup>1</sup> In July 2023, CEO Andrew Hunter tendered his resignation, effective April 2024. New CEO Chris Freeland AM, will join CPA Australia on March 18 2024.

<sup>2</sup> Title change effective 5 June 2023

## 19 (b) Compensation of key management personnel

### *(i) Non-executive Director compensation*

Directors are remunerated in accordance with the provisions of the Constitution, the changes being adopted at the AGM in 2018. Director remuneration for 2023 was below the pooled amount for 10 Directors, calculated under the Constitution. From 1 October 2022 to 30 September 2023, the pooled amount for 10 Directors was \$1,124,352. From 1 October 2023 to 30 September 2024, the pooled amount was increased to \$1,185,067. The annual remuneration paid to the Directors in 2023 is set out in Note 19.c 2023 Compensation–key management personnel.

The Group may pay all reasonable travelling, accommodation and other expenses that a Director properly incurs in attending meetings of the Board, committees of the Board, meetings of members or otherwise in connection with the business of the Company. Where a non-Director is a member of a Board Committee, they will be entitled to a per diem amount. For the Nomination Committee, members were entitled to receive a maximum amount of \$498 per hour, capped at a total of \$51,600 per annum.

The Board has determined that no Directors of CPA Australia are to sit on the Boards of any CPA Australia subsidiaries.

### *(ii) Executive compensation*

Executive remuneration is comprised of a fixed component based on total salary cost (TSC) and an at-risk component comprising an incentive scheme as discussed below.

TSC equals total gross remuneration plus the employer superannuation contribution. Remuneration reviews are conducted annually and any salary increases following on from these reviews will normally be effective from 1 January each year. Remuneration of the CEO and direct reports of the CEO is approved by the Board. Salary increases for all other staff are determined by the CEO in consultation with function leaders and approved by the Board.

The Group has in place an incentive scheme for its staff that is designed to focus employees on the organisation's strategy including critical member service outcomes and to reward employee commitment to the overall strategic objectives of the Group. Overall, the Group's KPIs must be achieved for incentive payments to be made, performance is reviewed by the Board at the end of each year and the incentive pool is approved.

The Board has also adopted the market median as the policy reference point to determine annual executive remuneration, including that of the CEO. Bands of +/- 20 per cent from the market median will be used in future to determine relevant salary ranges for each executive position, taking into account the individual's experience and competence.

This page is intentionally blank.

## 19 (c) 2023 Compensation – key management personnel

Name	Company	Position
<b>Non-executive Directors</b>		
Dale Pinto <sup>4</sup>	CPA Australia Limited	President and Chair
Warren McRae <sup>5</sup>	CPA Australia Limited	Deputy President
Louise Cox <sup>6</sup>	CPA Australia Limited	Deputy President
Yew Kee Ho	CPA Australia Limited	Director
Bernard Che-Wai Poon	CPA Australia Limited	Director
Bryan Chung	CPA Australia Limited	Director
Anthony Wright <sup>7</sup>	CPA Australia Limited	Director
Kaushika Jayalath <sup>8</sup>	CPA Australia Limited	Director
Anna Quinn <sup>8</sup>	CPA Australia Limited	Director
Sarah Adam-Gedge <sup>8</sup>	CPA Australia Limited	Director
Merran Kelsall <sup>9</sup>	CPA Australia Limited	Former Director, President and Chair
Rosemary Sinclair <sup>9</sup>	CPA Australia Limited	Former Director
Helen Lorigan <sup>9</sup>	CPA Australia Limited	Former Director
<b>Total non-executive Directors</b>		
<b>Executives</b>		
Andrew Hunter	CPA Australia Limited CPA Australia (Shanghai) Co., Ltd	CEO Director <sup>10</sup>
George Kapitelli <sup>11</sup>	CPA Australia Limited	Chief Financial Officer
Luke Gilholme <sup>12</sup>	CPA Australia Limited	Former Interim CFO
Nicholas Diss <sup>13</sup>	CPA Australia Limited CPA Australia (Shanghai) Co., Ltd	Former CFO Former Director
Farid Jarrar	CPA Australia Limited	Chief Information and Digital Officer
Marissa Alley <sup>14</sup>	CPA Australia Limited	Chief People Officer
Claire Hopkins <sup>15</sup>	CPA Australia Limited	Former Chief Learning and Innovation Officer
Rowena Buddee <sup>14</sup>	CPA Australia Limited	Chief Member Experience Officer
Elinor Kasapidis <sup>16</sup>	CPA Australia Limited	Interim Chief Learning and Innovation Officer
Gary Pflugrath <sup>17</sup>	CPA Australia Limited	Former EGM Policy and Advocacy
Karen Hellwig <sup>18</sup>	CPA Australia Limited	Former EGM Member Education
Frances Buccheri <sup>19</sup>	CPA Australia Limited	Former EGM Marketing and Communications
Rebecca Keppel-Jones	CPA Australia Limited	Former EGM Professional Standards and Business Support Chief of Member Operations
Mitchell Ajduk <sup>20</sup>	CPA Australia Limited	Former Interim EGM Professional Standards and Business Support
Deborah Leung	CPA Australia Limited CPA Australia (Shanghai) Co., Ltd	Former EGM International <sup>21</sup> Director
<b>Total executives</b>		
<b>Total non-executive Directors and executives</b>		

- Notes:**
- (1) Other long-term benefits include long service leave entitlements accrued during the year.
  - (2) Includes annual leave entitlements accrued during 2023.
  - (3) Other short term benefits include car parking, fringe benefits, and allowances.
  - (4) Re-appointed as Deputy President effective 1 October 2022. Appointed as President and Chair effective 1 October 2023.
  - (5) Re-appointed as Deputy President effective 1 October 2023.
  - (6) Appointed as Deputy President effective on 1 October 2023.
  - (7) Re-appointed as Director on 1 October 2023.
  - (8) Term as Director commenced on 1 October 2023.
  - (9) Retired as Director 30 September 2023.
  - (10) Ceased as Director 31 December 2023.

Short-term employee benefits			Post-employment benefits	Other long-term benefits <sup>1</sup>	Total 2023 (excl. termination benefits)	Termination benefits	Total 2023 (incl. termination benefits)	Total 2022
Salary and fees <sup>2</sup>	Incentive	Other <sup>3</sup>	Superannuation					
\$	\$	\$	\$	\$	\$	\$	\$	\$
139,061	-	-	15,029	-	154,090	-	154,090	111,473
108,030	-	-	11,616	-	119,646	-	119,646	93,668
89,520	-	-	9,641	-	99,161	-	99,161	86,840
83,311	-	-	8,958	-	92,269	-	92,269	86,840
83,311	-	-	8,958	-	92,269	-	92,269	86,840
83,311	-	-	8,958	-	92,269	-	92,269	22,760
84,437	-	-	9,082	-	93,519	-	93,519	22,760
21,612	-	-	2,377	-	23,989	-	23,989	-
21,612	-	-	2,377	-	23,989	-	23,989	-
21,612	-	-	2,377	-	23,989	-	23,989	-
169,673	-	-	18,098	-	187,771	-	187,771	232,000
61,699	-	-	6,581	-	68,280	-	68,280	104,645
68,280	-	-	-	-	68,280	-	68,280	86,840
<b>1,035,469</b>	<b>-</b>	<b>-</b>	<b>104,052</b>	<b>-</b>	<b>1,139,521</b>	<b>-</b>	<b>1,139,521</b>	<b>934,666</b>
776,588	189,315	3,217	27,500	13,231	1,009,851	-	1,009,851	1,081,468
-	-	-	-	-	-	-	-	-
349,697	56,800	3,001	25,208	6,022	440,728	-	440,728	-
71,554	-	757	7,127	1,240	80,678	-	80,678	159,030
-	-	-	-	-	-	-	-	224,733
-	-	-	-	-	-	-	-	-
373,313	75,840	2,271	27,500	8,251	487,175	-	487,175	489,258
282,067	43,310	1,757	27,500	6,012	360,646	-	360,646	384,045
139,359	-	406	10,063	-	149,828	-	149,828	-
439,768	63,474	189,878	13,826	7,115	714,061	-	714,061	463,283
25,276	15,188	-	2,601	2,605	45,670	-	45,670	-
129,913	-	-	11,458	2,333	143,704	-	143,704	387,478
51,093	-	324	6,875	1,025	59,317	197,708	257,025	468,381
118,346	-	135	13,750	2,107	134,338	121,875	256,213	340,618
299,339	49,700	1,919	27,500	5,624	384,082	-	384,082	356,933
67,427	-	162	5,741	1,745	75,075	-	75,075	-
183,413	-	-	8,475	2,846	194,734	-	194,734	520,517
-	-	-	-	-	-	-	-	-
<b>3,307,153</b>	<b>493,627</b>	<b>203,827</b>	<b>215,124</b>	<b>60,156</b>	<b>4,279,887</b>	<b>319,583</b>	<b>4,599,470</b>	<b>4,875,744</b>
<b>4,342,622</b>	<b>493,627</b>	<b>203,827</b>	<b>319,176</b>	<b>60,156</b>	<b>5,419,408</b>	<b>319,583</b>	<b>5,738,991</b>	<b>5,810,410</b>

(11) Appointed 14 February 2023.

(12) Appointed as Interim CFO effective 15 August 2022, ceased effective 31 March 2023.

(13) Resigned effective 12 August 2022.

(14) Title change effective 5 June 2023.

(15) Resigned effective 22 December 2023.

(16) Appointed effective 6 December 2023.

(17) Ceased effective 4 June 2023.

(18) Resigned effective 24 February 2023.

(19) Ceased effective 5 June 2023. Annual leave entitlements totalling \$12,209 were paid on cessation; these amounts are not included in total remuneration as they have been previously disclosed in the year of leave accrual.

(20) Appointed effective 25 February 2023, ceased effective 4 June 2023.

(21) Ceased effective 4 June 2023.

## 19 (d) Loans and amounts owing to key management personnel

There are no loans between key management personnel and the Group.

Director fees of \$1,651 (2022: \$1,638) have been accrued in respect of Andrew Heng, a Director of CPA Australia (M) Sdn. Bhd. and are payable in early 2024.

## 19 (e) Other transactions of key management personnel and key management personnel related entities

Priya Dharshini Terumalay, Country Head Malaysia, is a Director of CPA Australia (M) Sdn. Bhd. and a Director of CPA Australia (Shanghai) Co., Ltd. Andrew Hunter is a Director of CPA Australia (Shanghai) Co. Ltd (appointed 13 August 2022 and ceased 31 December 2023) and Deborah Leung, Vice President International is a Director of CPA Australia (Shanghai) Co. Ltd.

There are no transactions conducted between the Group and key management personnel or their related parties, apart from those disclosed above relating to compensation or that were conducted other than in accordance with a normal employee relationship, on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

## 20 AUDITOR REMUNERATION

	Consolidated	
	2023	2022
	\$	\$
<b>Auditor of parent entity, Australia subsidiaries and New Zealand branch</b>		
Audit of financial report	372,830	255,140
Other assurance services	92,390	89,700
<b>Affiliated firms</b>		
Audit of financial reports for overseas subsidiaries and branches	153,689	146,996
	<b>618,909</b>	491,836

The 2023 annual financial report has been audited by KPMG Australia.

Any activity that involves the engagement of the company auditor must adhere to the Board endorsed principles and requires the prior approval of the ARCC to ensure there is no conflict of interest. As a general principle, the use of the external auditor 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 deliver professional development, article authoring or

CPA Program authoring, this is to be documented and provided to the ARCC for endorsement quarterly.

Offshore divisions can enter into sponsorships arrangement with their local KPMG office where Deloitte, PwC and EY will also be represented. Sponsorships can be raised for member awards where the member is the direct recipient of the cash benefit.

During 2023, the Hong Kong division received local sponsorship for a charity run from KPMG.

## 21 INVESTMENT IN CONTROLLED ENTITIES

	Class of share	Entity interest		Amount of investment	
		2023	2022	2023	2022
		%	%	\$	\$
<b>Controlled entity</b>					
CPA Australia (M) Sdn. Bhd.	Ordinary	100	100	160,127	160,127
CPA Australia (Shanghai) Co., Ltd	Ordinary	100	100	1,206,987	1,206,987

The amount of investment represents the historical capital invested into each entity, which may be different to the fair value of that investment.

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

CPA Australia (Shanghai) Co., Ltd is incorporated in China to facilitate the provision of services to members in China.

## 22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 22 (a) Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets.

#### Financial assets at amortised cost

Financial assets are measured at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

These financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group's cash and cash equivalents, term deposits, trade receivables and loans to related parties fall into this category of financial instruments.

#### Financial assets at fair value through profit or loss (FVTPL)

These financial assets are mandatorily measured at FVTPL as they are debt instruments that do not qualify for measurement at either amortised cost or FVOCI. They are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

#### Financial assets at fair value through other comprehensive income (FVOCI)

The Group classifies the following financial assets at FVOCI:

- equity instruments that are not held for trading, and for which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Equity investments at FVOCI are subsequently measured at fair value in other comprehensive income and are never reclassified to profit or loss. Dividends are recognised as income within the profit or loss unless the dividend clearly represents a return of capital.

Debt investments at FVOCI are subsequently measured at fair value in other comprehensive income and will be reclassified to profit or loss upon derecognition of the asset. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss.

#### Financial liabilities – trade payables

In accordance with AASB 9, the Group classifies its trade payables as other financial liabilities and these are measured at amortised cost. Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid as at the reporting date. The amounts are unsecured and are usually paid within 30 days of recognition. The Group's terms and conditions of purchase state payment terms of 30 days from date of invoice.

### 22 (b) Carrying amounts and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities at the end of the reporting period.

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 (as prices) or indirectly (derived from prices). Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Level 3 fair value measurements are those that are valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. There were no transfers between levels during the year.

Consolidated				
	Amortised cost	FVOCI - debt instruments	FVOCI - equity instruments	Carrying amount FVTPL - others
as at 31 December 2022	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial assets measured at fair value</b>				
Equities	-	-	21,957	-
Equity funds	-	-	-	20,722
Property funds	-	-	-	5,780
Securities - bonds	-	8,656	-	-
Alternatives - infrastructure	-	-	-	3,079
Alternatives	-	-	-	4,780
Hybrids	-	-	-	27,358
<b>Total financial assets measured at fair value</b>	<b>-</b>	<b>8,656</b>	<b>21,957</b>	<b>61,719</b>
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	68,077	-	-	-
Term deposits	272	-	-	-
Receivables	1,522	-	-	-
<b>Total financial assets not measured at fair value</b>	<b>69,871</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>				
Trade payables	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>as at 31 December 2023</b>				
<b>Financial assets measured at fair value</b>				
Equities	-	-	20,958	-
Equity funds	-	-	-	23,333
Property funds	-	-	-	7,794
Securities - bonds	-	4,058	-	-
Alternatives - infrastructure	-	-	-	3,192
Alternatives	-	-	-	4,913
Hybrids	-	-	-	21,145
<b>Total financial assets measured at fair value</b>	<b>-</b>	<b>4,058</b>	<b>20,958</b>	<b>60,377</b>
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	74,563	-	-	-
Term deposits	274	-	-	-
Receivables	2,920	-	-	-
<b>Total financial assets not measured at fair value</b>	<b>77,757</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>				
Trade payables	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Other financial liabilities	Total	Fair value			Total
		Level 1	Level 2	Level 3	
\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
-	21,957	21,957	-	-	21,957
-	20,722	-	20,722	-	20,722
-	5,780	-	5,780	-	5,780
-	8,656	-	8,656	-	8,656
-	3,079	-	3,079	-	3,079
-	4,780	-	4,780	-	4,780
-	27,358	2,959	24,399	-	27,358
-	92,332	24,916	67,416	-	92,332
-	68,077	-	-	-	-
-	272	-	-	-	-
-	1,522	-	-	-	-
-	69,871	-	-	-	-
22,964	22,964	-	-	-	-
22,964	22,964	-	-	-	-
-	20,958	20,958	-	-	20,958
-	23,333	-	23,333	-	23,333
-	7,794	-	7,794	-	7,794
-	4,058	-	4,058	-	4,058
-	3,192	-	3,192	-	3,192
-	4,913	-	4,913	-	4,913
-	21,145	2,788	18,357	-	21,145
-	85,393	23,746	61,647	-	85,393
-	74,563	-	-	-	-
-	274	-	-	-	-
-	2,920	-	-	-	-
-	77,757	-	-	-	-
14,468	14,468	-	-	-	-
14,468	14,468	-	-	-	-

## 22 (c) 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.

The Group focuses on actively securing its short to medium-term cash flows by minimising the exposure to financial markets. Long term financial investments are managed to generate maximum member returns while not exposing the Group to a high level of risk. Investment of funds is in line with the Group's Cash and Investment Policy.

The most significant financial risks to which the Group is exposed are described below.

### (i) Foreign currency risk

The Group operates internationally and is mainly exposed to Singapore dollars, Hong Kong dollars, Chinese yuan and Malaysian ringgits. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities

denominated in a currency that is not the functional currency of the parent entity.

The Group does not 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 through management reports which analyse exposures by degree and magnitude of risks.

In 2023, the appreciation of the Australian Dollar against the currencies where substantial cash is held resulted in a foreign exchange loss of \$0.07m (2022: gain \$0.05m) for the full year.

The following table illustrates the sensitivity of profit for 2023 and 2022, and intercompany loan amounts to shifts in foreign exchange rates. Minimum and maximum exposure is calculated at shifts of one per cent and 10 per cent change in exchange rates respectively.

	Minimum		Average		Maximum	
	2023	2022	2023	2022	2023	2022
Annual risk by risk type	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Foreign exchange	308	271	1,481	1,303	2,827	2,487

### (ii) Interest rate risk

Exposures to interest rate risk are limited to financial assets bearing variable interest rates, including cash at bank and some debt instruments. Most of the interest-bearing financial assets are instruments held to maturity with fixed interest rates and term.

The Group does not have any interest-bearing financial liabilities.

### (iii) Equity security price risk

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

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 five per cent higher/lower equity reserves would have increased/decreased by \$1.0m (2022: \$1.1m) due to changes in fair value.

### (iv) Credit risk

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 a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored and limits reviewed annually.

Trade receivables consist 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 term deposits is mitigated by ensuring the authorised deposit taking institutions have a minimum S&P credit rating of BBB+ (or Moody's/Fitch equivalent).

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is generally the carrying amount, net of any loss allowance. 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.

### Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. The Group has two types of financial assets that are subject to the ECL model:

- trade receivables
- debt instruments carried at FVOCI.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1')
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses.

In using this practical expedient, the Group uses its historical

experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. Based on its analysis, the Group has allowed 6.91 per cent for all amounts, which is based on an average loss over the past five years. The loss allowance as at 31 December 2023 was determined as follows for trade receivables:

	Consolidated				Total \$'000s
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	
	\$'000s	\$'000s	\$'000s	\$'000s	
<b>31 December 2022</b>					
Expected loss rate	7.54%	7.54%	7.54%	7.54%	
Gross carrying amount – trade receivables	1,087	266	157	188	1,698
<b>Loss allowance</b>	<b>82</b>	<b>20</b>	<b>12</b>	<b>14</b>	<b>128</b>
<b>31 December 2023</b>					
Expected loss rate	6.91%	6.91%	6.91%	6.91%	
Gross carrying amount – trade receivables	794	809	921	283	2,807
<b>Loss allowance</b>	<b>55</b>	<b>56</b>	<b>64</b>	<b>20</b>	<b>194</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the group and failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented in the statement of profit or loss and other comprehensive income.

### Debt instruments

Debt instruments at FVOCI include listed and unlisted securities and are limited to 12 months' expected losses. No loss impairment allowance has been recognised at 31 December 2023 and 31 December 2022.

#### (v) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, who have 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.

The Group 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.

Whilst current liabilities exceed current assets, the Board considers that there is no liquidity risk as there are significant other financial assets within the organisation's investment

portfolio that could be easily liquidated to fund any shortfall in working capital should it eventuate as outlined in Note 10.

#### (vi) Market risk management

Market risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group manages the financial risks relating to its investments set out in accordance with the Group's *Investment Policy Statement*. The policy contains thresholds that cannot be exceeded, including weighting for asset classes and individual limits within each asset class.

#### (vii) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern, while maximising the return on investments. The overall strategy remains unchanged from 2021.

The Group's capital structure consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

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

## **23 CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2023 and 31 December 2022.

## **24 SUBSEQUENT EVENTS**

There has been no matter or circumstance occurring since the end of the financial year to the date of this report that has affected or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

# Directors' declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position and performance of the Group; 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 s.295 (5) of the *Corporations Act 2001*.

On behalf of the Directors



**Dale Pinto FCPA**  
**John Curtin**  
**Distinguished Professor,**  
Director



**Warren McRae**  
**FCPA**  
Director

18 March 2024



# Independent Auditor's Report

To the members of CPA Australia Ltd

## Opinion

We have audited the **Financial Report** of CPA Australia Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2023
- Statement of profit or loss and other comprehensive income, Statement of changes in members' funds, and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

## Key Audit Matters

The **Key Audit Matters** we identified are:

- Recognition of revenue
- Implementation of Microsoft Dynamics 365 (“MMF”)

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition of revenue (\$174.18 million)

Refer to Note 3 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Recognition of revenue is a key audit matter due to its significance to the Group’s financial results and the significant audit effort associated with assessing different revenue contracts.</p> <p>The Group generates revenue from a variety of service offerings, with revenue recognised at a “point in time” or “over time” depending on the nature of the service. Significant revenue contracts include:</p> <ul style="list-style-type: none"> <li>• fees from membership subscriptions;</li> <li>• fees from the provision of educational services and the CPA Program; and</li> <li>• fees from the provision of other professional development services.</li> </ul> <p>We focused on the Group’s assessment of conditions driving revenue recognition and the judgement applied. This included consideration of the:</p> <ul style="list-style-type: none"> <li>• timing of when performance obligations are satisfied;</li> <li>• relative standalone selling and transaction prices for services; and</li> <li>• allocation of transaction prices to the</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We evaluated the Group’s accounting policy for the determination of performance obligations, transaction prices and the allocation of transaction prices to performance obligations against the requirements of the accounting standards.</li> <li>• We obtained an understanding of the Group’s processes regarding accounting for member-based revenue. We tested key controls such as: <ul style="list-style-type: none"> <li>- the Board’s annual approval of member fee and subscription rates;</li> <li>- management’s review and approval of member fee and subscription rates as entered into the Group’s IT system; and</li> <li>- the automation of the interfaces between the Group’s membership-based systems to the Group’s financial reporting system, involving our IT specialists.</li> </ul> </li> <li>• For a sample of “point in time” revenue transactions relating to fees from the CPA program, the provision of educational services and fees from the provision of other professional development services, we: <ul style="list-style-type: none"> <li>- identified the nature of services provided for those transactions by inspecting relevant features of underlying contracts and comparing these features to the conditions in the</li> </ul> </li> </ul>

<p>satisfaction of performance obligations.</p>	<p>accounting standard. We did this to assess the Group's identification of performance obligations;</p> <ul style="list-style-type: none"> <li>- assessed the Group's determination of relative standalone selling prices for services by checking the prices charged for stand-alone services to Board approved rates. We did this to assess the Group's allocation of transaction prices to the relevant performance obligations; and</li> <li>- checked the timing of satisfaction of performance obligations to published CPA Program timetables and the scheduling of other professional development activities.</li> </ul> <ul style="list-style-type: none"> <li>• Involving our data and analytics specialists, we checked a sample of "point in time" and "over time" revenue transactions to the relevant invoices and cash received by the Group. This included checking the period the transaction related to in order to assess the recognition of revenue in the current period.</li> <li>• We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.</li> </ul>
<b>Implementation of Microsoft Dynamics 365 ("MMF")</b>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>During the year, the Group implemented a new IT system for membership services and financial management (referred to as the Member Management and Finance (MMF) system). The implementation of the MMF resulted in significant changes to the Group's financial reporting environment, including changes to the core general ledger and processes and controls used for financial reporting.</p> <p>This is a key audit matter due to the increased audit effort arising from the:</p> <ul style="list-style-type: none"> <li>• Significant impact of changes in the financial reporting system, processes and controls on the Group's control environment during the year. This required us to understand the nature and extent of the changes, including the</li> </ul>	<p>Working with our IT Audit specialists, our procedures included:</p> <p><i>During the MMF pre-implementation phase</i></p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group's project governance and data migration plan, specific to the implementation of the MMF, through reading underlying documentation such as business process mapping documents, internal audit reports and enquiries of key operational and IT management.</li> <li>• We obtained an understanding of the nature and extent of planned changes to the Group's processes and controls as they relate to financial reporting arising from the MMF implementation, including automated controls and system-based calculations, to further inform our audit approach.</li> </ul>



<p>nature of revised automated controls and system-based calculations, and associated impacts on the Group’s financial reporting and our audit.</p> <ul style="list-style-type: none"> <li>• The completeness and accuracy of migration of historical and current year financial data from existing systems to the MMF, including the specific risks associated with the system cut-over period.</li> <li>• During the post implementation phase of the MMF, the Group established temporary processes, which included manual elements, to supplement the implementation of the MMF. These temporary supplemental processes were put in place to record certain transactions such as revenue recognition and the deferral of revenue. Manual processes are generally associated with a higher risk of error.</li> </ul> <p>We involved our IT Audit specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p><i>During the MMF data migration phase and system cut-over period</i></p> <ul style="list-style-type: none"> <li>• We tested key controls relating to the completeness and accuracy of migration of historical and current year financial data to the MMF.</li> <li>• We assessed the results of the Group’s data conversion testing, data quality testing and reconciliations of financial data and assessed their impact on the completeness and accuracy of data migration to the MMF system.</li> </ul> <p><i>During the MMF post-implementation phase</i></p> <ul style="list-style-type: none"> <li>• We tested the general IT controls relevant to the MMF such as system access, segregation of duties and change management controls.</li> <li>• We obtained an understanding of the Group’s temporary processes to supplement the implementation of the MMF. We tested key controls on manual elements of the supplemental processes to record transactions including revenue recognition and deferral of revenue.</li> <li>• On a sample basis, we assessed the transactions subject to temporary processes by (i) checking the integrity of manual calculations, including consideration of source documentation and (ii) comparing amounts from the Group’s manual calculations to the amounts recorded in the Group’s financial statements.</li> </ul>
---	---

## Other Information

Other Information is financial and non-financial information in CPA Australia Ltd's annual report (2023 Integrated Report) which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of selected Integrated Reporting Information included within the 2023 Integrated Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar5.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf). This description forms part of our Auditor's Report.

KPMG

Chris Sargent

*Partner*

Melbourne

18 March 2024

# Index

- AASB 101 112
- AASB 112 112
- AASB 116 132
- AASB 137 132
- Accounting for Sustainability (A4S) 7, 17, 63, 97
- Acronyms 82
- Advocacy (including policy) 9, 56–58
- Advisory Committees 24, 25, 26, 96
- Adoption of new and revised accounting standards 112
- Annual general meeting (AGM) 7, 22, 136
- APES 110 Code of Ethics for Professional Accountants 73
- Appointments Council 24, 25, 26
- Artificial Intelligence (AI) 10, 21, 44, 45
- Assets 107, 125, 128–129, 141
- Attract new members through unrivalled offerings 76–81
- Audit, Risk and Compliance Committee 25, 28, 60, 96, 100, 141
- Auditor independence 102
- Auditor remuneration 140
- Australia Accounting Standards Board (AASB) 2, 112
- Australian Professional Ethics Standards Board (APESB) 133
- Australian Public Policy Committee 56
- Australasian Reporting Awards 7
- Board Committees 24, 25, 60, 96, 100–101
- Board of Directors 24, 25, 27, 60, 63, 88–94, 99–101
- Brand 72
- Budget coverage 9, 52, 56, 57
- Build members' interdisciplinary and contemporary skills to accelerate their career 45–52
- Business model 15, 18–19
- By-Laws 7, 21, 72, 73
- Chartered Accountants Australia and New Zealand (CA ANZ) 133
- Cash and cash equivalents 124
- CEO's report 8–9
- Centres of Excellence (CoE) 7, 9, 26, 57, 98
- CFO's report 11
- Climate, climate risk 60–65
- Code(s) of Conduct 6, 21, 24, 30, 72
- Commitments 133
- Compliance panels 25, 26, 74, 97
- Confederation of Asian Pacific Accountants 97
- Connect with our ecosystem of members and strategic partners to promote the designation 70–75
- Constitution 7, 25, 72, 73
- Contingent liabilities 145
- Contract liabilities 132
- Continuing professional development (CPD) 8, 9, 16, 21, 22, 49–50, 63
- Corporations Act 2001* 2
- Council of Presidents 6
- COVID-19 6
- CPA Australia Best Practice Program 9, 72
- CPA Member Connect 8, 14
- CPA Program 8, 11, 15, 16, 20, 21, 22, 29, 34, 44, 46, 47, 80–81
- CPA Tax News 72
- CPA Virtual Congress 8, 9, 48, 49
- Culture 23, 26, 67

Customer Relationship Management system (CRM) 44, 45

Cyber security 14, 21, 29, 45, 68

Directors' declaration 147

Disciplinary Tribunal 25, 26, 74

Discussion and analysis of financial results 104–107

Divisional Councils 6, 7, 26, 47, 95–96

Education, Policy and Innovation Committee 25, 60, 96, 100

Employees 21, 23, 29, 38, 66–68, 117, 119

Enterprise data platform (EDP) 44, 45

Environment 60–65

Environment, social, governance (ESG) 6, 7, 10, 24, 27, 30, 56, 58, 60–69

ESG strategy 26, 30, 60, 66

ESG Steering Committee 60, 63, 64

Ethics 6, 8, 17, 24, 49, 56, 58

Executive leadership team 10, 38, 138

Expenditure 11, 105, 117–119

External environment 14–15

Finance income 116

Financial instruments and risk management 141–145

Financial performance 11, 39, 104–107

Geopolitical 14, 15

Global Reporting Initiative (GRI) 17, 64

Goods and Services Tax (GST)

Governance 2, 7, 24–27, 88–94,

Governance and Financial Report 85–147

Greenhouse gas (GHG) 62–64

Human Rights Policy 16, 30, 66

Incoming CEO's report 10

Independent assurance report 83–85

Independent auditor's report 148–153

INPRACTICE 9, 72

Input–Output (I–O) 64

Intangible assets 128–129

Integrated Reporting 2, 7, 15, 97

Internal audit 28

IFRS Foundation 2, 63, 133

IFRS S1 2, 30, 60–65

IFRS S2 2, 30, 60–65

International Accounting Standards Board (IASB) 2, 72, 112

International Auditing and Assurance Standards Board (IAASB) 72

International Ethics Standards Board for Accountants (IESBA) 72

# Index

- International Federation of Accountants (IFAC)  
17, 26, 57, 97, 112, 133
- International Financial Reporting Standards (IFRS)  
2, 52
- International Sustainability Standards Board (ISSB)  
2
- INTHEBLACK 8, 9 47, 50, 57, 63, 72
- Institute of Public Accountants 133
- Investment in controlled entities 140
- Key audit matters 149–151
- Key management personnel (KMP) 134–139
- Key performance indicators (KPIs) 9, 34, 35
- King’s Birthday Honours List 66
- KPMG 83–85, 102, 140, 148–153
- Lead, support and advocate for members  
as the profession grows 54–69
- Leases 130–131
- Liabilities 107, 141
- Life members 97
- Limitation of members’ liability 133
- Materiality 20–23
- Member Ambassador pilot 9, 34, 46, 79
- Member demographics 4, 12–13
- Member engagement 6, 30, 40, 46–47
- Member Engagement and Culture Committee 24, 25, 96, 101
- Member events 9, 48
- Mentoring Program 8, 9
- Member Management and Finance (MMF) program  
5, 6, 8, 11, 14, 26, 29, 34, 40, 44–45, 46, 48
- Micro-credentials 8, 49, 65
- Microsoft Dynamics Finance and Operations 44
- Modern Slavery Act 2018 (Cth.) (MSA)* 7
- Modern Slavery Statement 7, 16, 26, 30, 66, 68
- MY FIRM. MY FUTURE. 9, 72, 75
- Net Zero Emissions Pathway 7, 17, 30, 60–65
- Nomination Committee 25, 26, 98, 101
- Notes to the financial statements 112–146
- Office locations 157
- Organisational structure 38
- Other assets 125
- Other financial assets 125
- Overview of financial results 103–104
- Parent entity disclosure 133
- Parliamentary Joint Committee (PJC) 6, 56
- President’s report 6–7
- Professional standards 9, 72–74
- Property, plant and equipment 126–127
- Provisions 132
- PwC Australia 6, 8, 24
- Recognised Employer Program 78
- Reconciliation Action Plan (RAP) 30, 66, 68
- Regulatory Review Working Group 56
- Related parties 134–140
- Remuneration 67–68, 138–139

Responsive Membership Pathways 9, 11, 78

Revenue 11, 104, 105, 114–116

Risk appetite statement 28

Risks, risk management 14–15, 28–31

Risk matrix 31

Social 66–68

Stakeholders 22–23

Statement of cash flows 111

Statement of changes in members' funds 110

Statement of financial position 109

Statement of profit or loss and other comprehensive income 108

Strategy  
6, 9, 10, 11, 14, 18, 24, 26, 34, 36–39

Strategy and performance 32–41

Subsequent events 145–146

Summary of significant accounting policies, 113–114

Taskforce for Nature Related Financial Disclosures (TNFD) 62

Tax (member support) 72

Taxation (financial report) 106, 120–123

Thought leadership 9, 51, 56–58

Trade and other receivables 125

United Nations Sustainable Development Goals (UN SDGs) 2, 16–17, 19, 49, 51, 62, 66

Values 26

Voice of the Customer program 29, 30, 48

Website 47

Wellbeing, Inclusion and diversity 16, 29, 30, 66, 67

With Interest 49, 57

Workplace Gender Equality Agency 68

# Office locations

## AUSTRALIA

### Head office/Victoria (and registered office)

Level 20, 28 Freshwater Place  
Southbank VIC 3006  
GPO Box 2820  
Melbourne VIC 3001  
**Free call:** 1300 737 373 (Australia only)  
memberservice@cpaaustralia.com.au

### Australia Capital Territory

Level 5, CPA Australia Building  
10 Rudd Street  
Canberra ACT 2601  
GPO Box 3260  
Canberra ACT 2601

### New South Wales

Level 3, 111 Harrington Street Sydney  
NSW 2000  
Locked Bag 23  
Grosvenor Place NSW 1220

### Northern Territory

Level 2, Charles Darwin Centre  
19 Smith Street  
Darwin City NT 0800  
GPO Box 1633  
Darwin NT 0801

### Queensland

Level 23, 333 Ann Street  
Brisbane QLD 4000

### South Australia

Level 10, 420 King William Street  
Adelaide SA 5000  
GPO Box 2574  
Adelaide SA 5001

### Tasmania

Level 6  
Reserve Bank Building  
111 Macquarie Street Hobart  
TAS 7000  
GPO Box 906  
Hobart TAS 7001

### Victoria

Refer to head office location

### Western Australia

Level 17 Alluvion  
58 Mounts Bay Road  
Perth WA 6000  
PO Box 7378 Cloisters Square  
Perth WA 6850

## ASIA

### Beijing

Unit 308B, 3/F Office Tower C2,  
Oriental Plaza  
No. 1 East Chang An Avenue  
Dong Cheng District  
Beijing 100738, China  
**P:** +8610 5387 5973  
**Free call:** 10800 320 0135  
beijing@cpaaustralia.com.au

### Guangzhou

Unit 2504, Tower A,  
GT Land Plaza  
No. 85 Huacheng Avenue  
Zhujiang New Town  
Tianhe District  
Guangzhou 510623, China  
**P:** +86 20 2232 6266  
**Free call:** 10800 320 0137  
guangzhou@cpaaustralia.com.au

### Hanoi

Suite 02–04, 2nd Floor,  
International Centre,  
17 Ngo Quyen Street,  
Trang Tien Hoan Kiem,  
Hanoi, Vietnam  
**P:** +84 24 3275 4116  
hanoi@cpaaustralia.com.au

### Ho Chi Minh City

Suite 501, 5th Floor  
The Metropolitan  
235 Dong Khoi Street District 1,  
Ho Chi Minh City Vietnam  
**P:** +84 28 3861 4120  
hochiminh@cpaaustralia.com.au

### Hong Kong

20/F Tai Yau Building  
181 Johnston Road Wanchai,  
Hong Kong  
**P:** +852 2175 6783  
hk@cpaaustralia.com.au

## Indonesia

World Trade Centre 5  
12th Floor, Jl. Jend  
Sudirman Kav. 29 Jakarta  
12920, Indonesia  
**P:** +62 21 5099 6829  
**Free call:** 10800 320 0135  
id@cpaaustralia.com.au

## Malaysia

Suite 10.01, Level 10  
The Gardens South Tower  
Mid Valley City  
Lingkar Syed Putra 59200  
Kuala Lumpur  
**P:** +603 2779 2783  
**Free call:** 1800 813 901  
my@cpaaustralia.com.au

## Shanghai

Suite 4003–4004  
CITIC Square  
1168 Nanjing West Road  
Shanghai 200041, China  
**P:** +86 21 8011 9501  
**Free call:** 10800 320 0136  
shanghai@cpaaustralia.com.au

## Singapore

1 Raffles Place  
31–01 One Raffles Place  
Singapore 048616  
**P:** +65 3105 1522  
**Free call:** 800 852 6759  
sg@cpaaustralia.com.au

## OTHER INTERNATIONAL

### New Zealand

Level 9, 29 Customs Street  
AON Centre  
Auckland, 1010  
PO Box 105–893  
Auckland City  
New Zealand 1143  
**P:** +64 9 870 7716  
**Free call:** 0800 570 001  
nz@cpaaustralia.com.au

### United Arab Emirates

3509 Addax Tower  
City of Lights,  
Al Reem Island  
Abu Dhabi, UAE  
**P:** +971(0)26666802  
**Free call:** 800 0311 0067  
UAE@cpaaustralia.com.au

### United Kingdom

25EP  
Eccleston Yards  
25 Eccleston Place  
London SW1W 9NF  
United Kingdom  
**P:** +44 20 3514 9353  
**Free call:** 0800 066 8672  
europe@cpaaustralia.com.au



Cover: Extraprint Laser 300gsm (PEFC)

Text: Zero Silk Carbon Neutral 128gsm (FSC Mixed Source)

Financials: Extraprint Laser 100gsm (PEFC)

