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# Australian Institute of Company Directors *Financial Report*

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for the year ended 30 June 2010

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ABN 11 008 484 197



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## **Financial report for the year ended 30 June 2010**

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## Financial report for the year ended 30 June 2010

### Directors' Report

The Board of the Australian Institute of Company Directors (the Institute) submit their report in respect of the financial year ended 30 June 2010.

### Directors

The names of the Institute's directors in office during the financial year and until the date of this report are:

Director	Title	Appointed/Retired
Mr Richard John Lee FAICD	Chairman	Appointed 02.11.2007
Mr John Douglas Story FAICD	Chairman	Retired 05.11.2009
Ms Elizabeth Blomfield Bryan FAICD	National Director	Appointed 15.11.2005
Mr Steven Cole FAICD	President, WA	Appointed 07.11.2008
Mr Lynley Thomas Cox FAICD	President, TAS	Appointed 02.11.2007
Mr Colin Galbraith AM FAICD	National Director	Appointed 02.11.2006
Ms Fiona Elizabeth Harris FAICD	National Director	Appointed 15.11.2005
Mr Richard Haire FAICD	President, QLD	Appointed 05.11.2009
Mr Alan Hewitt FAICD	President, SA&NT	Appointed 02.11.2007
Mr Brand Hoff FAICD	President, ACT	Appointed 07.11.2008
Mr Martin Douglas Eberlein Kriewaldt FAICD	President, QLD	Retired 05.11.2009
Mr Kevin McCann AM FAICD	President, NSW	Appointed 05.11.2009
Mrs Linda Bardo Nicholls AO FAICD	President, VIC	Retired 05.11.2009
Ms Alison Watkins FAICD	President, VIC	Appointed 05.11.2009
Mr John H.C. Colvin FAICD	Chief Executive & Managing Director	Appointed 07.11.2008

### Principal activities

The principal activities of the Institute, constituted through its National Office and seven Divisions, during the financial year, were the conduct of educational activities including:

- the Company Directors Course
- Company Directors Conference
- panel discussions
- seminars
- breakfasts
- luncheons and dinners
- the publication of articles and statements on matters of interest to directors
- liaison with other professional bodies and the Australian Securities Exchange on matters affecting directors and companies
- consultations with, and submissions to, government particularly on the Corporations Act 2001
- consultations with and submissions to, Commissions of inquiry and other public authorities about the framing of laws and regulations of concern to directors.

During the financial year there was no significant change in the nature of those activities.

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## Financial report for the year ended 30 June 2010

### Directors' Report (continued)

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#### Financial Results

The net amount of the Institute's surplus for the financial year was \$2,792,848. This represents an increase of \$2,779,255 on the 2009 result of \$13,593.

The operating surplus before investments for the financial year was \$1,168,125 (2009: \$848,331).

The Institute is a company limited by guarantee and no dividends are payable.

#### Review of Operations

The Institute's financial policy is to budget for a minimal surplus from operations, and to target a reasonable return from its investments. This allows the Institute to satisfy two competing objectives:

- to maximise the value provided to members, either by minimising the cost of membership and other services provided, or by maximising the re-investment in long-term initiatives of benefit to the membership, and
- to ensure that sufficient financial reserves exist to sustain the organisation through economic cycles.

#### Review of Financial Condition

Financial assets and cash totalling \$20,837,928 (2009: \$16,483,435) are invested with the aim of producing investment income at a reasonable level of risk. These funds are held to offset deferred revenue (represented by Note 13) of \$11,178,757. The balance of the financial assets are held to support a self insurance program tied to key risks identified in the Institute's strategic risk assessment program, for those risks which formal insurance cover cannot be obtained.

The net investment result for the year was a surplus of \$1,624,723 (2009: loss \$834,738).

Over the course of the investment cycle, income from these assets is used to allow for re-investment in projects of strategic importance to the membership.

#### Rounding

All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Institute under ASIC Class Order 98/100. The Institute is an entity to which the class order applies.

#### Significant Changes in State of Affairs

During the financial year there was no significant change in the state of affairs of the Institute.

#### Significant Events after Year End

There has not been any matter or circumstance that has arisen in the interval between the end of the financial year and the date of this report that has significantly affected, or may significantly

affect, the operations of the Institute, the results of those operations, or the state of affairs of the Institute in the subsequent financial years.

#### Likely Developments and Future Results

There are no likely developments in the operations of the Institute which would affect the results of future operations.

#### Indemnification and Insurance of Directors and Officers

During the financial year, the Institute paid a premium in respect of a contract insuring the directors of the Institute, the company secretary and all executive officers of the Institute and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Institute has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Institute or of any related body corporate against a liability incurred as such an officer or auditor.

#### Directors' and Officers' Remuneration

The non-executive directors of the Institute are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly in their capacity as a director from the Institute or any related party. The Chief Executive Officer has been appointed by the Board as an executive director and was remunerated as an employee of the Institute as set out in Note 16 to the Financial Statements.

No director can hold an interest in the Institute as it is a company limited by guarantee. Each director, being a member, is liable to the extent of the guarantee given under the Institute's Constitution. No director of the Institute has received or become entitled to receive a benefit during or since the end of the financial year because of a contract that the director or a firm of which the director is a member, or an entity in which the director has a substantial financial interest made with the Institute, or an entity that the Institute controlled, or a body corporate that was related to the Institute when the contract was made or when the director received or became entitled to receive a benefit.

The policy governing staff and senior executive remuneration is reviewed and approved by the Institute's Human Resources and Remuneration Committee. Remuneration is determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice. For executive officers, remuneration packages generally comprise salary, a performance-based bonus and superannuation.

## Financial report for the year ended 30 June 2010

Directors' Report (continued)

### Meeting Attendances

The Meeting attendance of Directors during the year 1 July 2009 to 30 June 2010 is noted below.

Director	Board	Audit, Risk & Compliance Committee	Human Resources & Remuneration Committee	Nomination Committee
Mr Richard John Lee FAICD	6 of 6		1 of 1	1 of 1
Mr John Douglas Story FAICD	3 of 3		1 of 1	
Ms Elizabeth Blomfield Bryan FAICD	3 of 6		0 of 2	
Mr Steven Cole FAICD	6 of 6			1 of 1
Mr Lynley Thomas Cox FAICD	6 of 6	3 of 3		
Mr Colin Galbraith AM FAICD	5 of 6		2 of 2	
Ms Fiona Elizabeth Harris FAICD	6 of 6		2 of 2	
Mr Richard Haire FAICD	4 of 4			
Mr Alan Hewitt FAICD	6 of 6			
Mr Brand Hoff FAICD	6 of 6	3 of 3		
Mr Martin Douglas Eberlein Kriewaldt FAICD	2 of 3	1 of 1		
Mr Kevin McCann AM FAICD	3 of 4			1 of 1
Mrs Linda Bardo Nicholls AO FAICD	3 of 3			
Ms Alison Watkins FAICD	4 of 4	1 of 1		1 of 1
Mr John H.C. Colvin FAICD	6 of 6			

### Auditor's Independence Declaration

The Directors received the declaration from the Institute's auditor. The declaration is located on the page following the Directors' Report.

### Non-Audit Services

The Institute received revenue from sponsorship of events from KPMG of \$145,000. The Institute's auditor, KPMG provided non-audit services in relation to tax advice, internal audit and project governance services which totalled \$61,700 during the current financial year. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors and auditor independence requirements imposed by the Corporations Act 2001.

Signed in accordance with a resolution of the directors.



**J.H.C. Colvin FAICD**  
Chief Executive and Managing Director



**R.J. Lee FAICD**  
Chairman

Sydney  
Dated: 8 September, 2010

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**Financial report for the year ended 30 June 2010**

*Auditor's Independence Declaration to the Directors of Australian Institute of Company Directors*

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

To: the directors of the Australian Institute of Company Directors

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2010 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 signature in black ink, appearing to read 'M Epper'.

KPMG

A handwritten signature in black ink, appearing to read 'M Epper'.

Mark Epper  
Partner

Sydney  
8 September, 2010

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## Financial report for the year ended 30 June 2010

### Corporate Governance Statement

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Governance of the Australian Institute of Company Directors is based on the Institute's Constitution and Charters.

#### The Board

The Board is the governing body of the Institute. Its powers are set out in the Institute's Constitution and Board Charter. The Charter is reviewed regularly by the Board. The adoption of any proposed changes to the Constitution is subject to the approval of the membership at a general meeting. The Constitution and the Board Charter are available on the Institute's website, [www.companydirectors.com.au](http://www.companydirectors.com.au).

#### Composition of the Board

The Board consists of up to twelve directors. There are four National Directors, one of whom is the chairman, and seven Division representatives. The Division representatives are nominated by each Division Council and are usually Division Presidents. The Division representatives on the Board appoint the Chairman and National Directors following each annual general meeting. In addition, the Chief Executive Officer was appointed Managing Director by resolution of the Board. The procedure for appointing directors can be found in the Constitution. The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is available on the Institute's website, [www.companydirectors.com.au](http://www.companydirectors.com.au).

#### Non-executive board remuneration and tenure

National Directors and Division representatives must be members of the Institute and do not receive any remuneration for their services to the Institute. National Directors may serve for two consecutive terms of three years, or for a maximum of six years unless elected as Chairman, when they may serve up to nine years in total.

No Director of the Institute (except for the CEO) has received or become entitled to receive a benefit from the Institute during or since the end of the financial year as a result of a contract with the director, a firm of which he or she is a member, an entity in which he or she has a substantial financial interest, or an entity related to or controlled by the Institute.

#### Role of the Board

The Board is responsible for the overall corporate governance of the Institute. This includes setting and periodically reviewing the strategic direction, monitoring the achievements and financial performance of the organisation and deciding on key policy positions for the Institute to take on behalf of Australian directors. Six meetings of the board were held during the fiscal year.

#### The Board and the Chief Executive Officer

The Board is responsible for the appointment and employment contract of the CEO. The CEO's role is to lead the organisation. He develops a business strategy in collaboration with the senior management team and implements it once it is approved by the Board. The CEO is also responsible for the culture of the organisation, for the employment of staff and for financial management and control.

The Board determines the CEO's performance goals and remuneration on advice from the Human Resources and Remuneration Committee. His remuneration consists of a salary and an at-risk component. The amount of the latter is set by the Board on advice from the Committee, which assesses the CEO's performance against predetermined goals.

#### Board Committees

To improve its efficiency, the Board delegates tasks to its Audit, Risk and Compliance; Human Resources and Remuneration, and Nomination Committees. In addition, the Institute is advised on policy matters by three committees of senior practising directors and technical experts—Corporate Governance, Law and Reporting. The Board reviews and ratifies the terms of reference of all of these committees and their membership annually.

#### Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee reviews and monitors the compliance program and the financial systems operating within the Institute. It provides a link between the Board, the external auditors, and management.

The Committee ensures procedures are in place to safeguard the Institute's assets and interests, including accounting and financial reporting in compliance with applicable laws, regulations, standards, and best practice guidelines. It oversees the continuing independence of the external auditor.

During the fiscal year, all new staff members received training in the Institute's Compliance Program. The program covers risk oversight and management policies on contract law, trade practices, intellectual property, privacy, occupational health and safety, and anti-discrimination.

The Audit, Risk and Compliance Committee comprises three members appointed by the Board – refer to the Directors' Report.

#### Human Resources and Remuneration Committee

The objectives of the Human Resources and Remuneration Committee are to assist the Board to discharge its corporate governance responsibilities to exercise due care and diligence and skill in determining:

- human resources strategies to foster quality of management practices

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## Financial report for the year ended 30 June 2010

### Corporate Governance Statement (continued)

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- the setting of key performance areas for the CEO and the regular review of CEO performance
- executive and staff remuneration and benefits to recognise contributions to the business by staff and to reward these appropriately
- staff policies and procedures, including occupational health and safety and superannuation
- compliance with laws and regulations.

The Human Resources and Remuneration Committee comprises four members appointed by the Board – refer to the Directors' Report. It is chaired by the Board Chairman.

#### Nomination Committee

The objectives of the Nomination Committee are to: determine the pipeline of director nominees for election to the National Board of Directors; to identify and recommend candidates to fill vacancies occurring at the end of National Directors' tenure, Division President tenure and casual vacancies between annual general meetings; and to review, evaluate and recommend changes to the Institute's Corporate Governance Guidelines.

The Nomination Committee comprises four members appointed by the Board – refer to the Directors' Report. It is chaired by the Board Chairman.

#### Policy Committees

The Institute's policy committees consist of senior practising directors and technical experts, who give their time free-of-charge. The role of each policy committee is to develop policies, guidelines, issues papers and submissions on key director-related issues. Management provides their secretariats. Their agenda for the year and their most significant policy initiatives are reviewed and ratified by the Board.

The three committees focus on policy areas that are most important to directors: Corporate Governance, Law and Reporting. There is a National Director on each of the three policy committees, who liaises with the Board. Committee meetings are generally held monthly or bi-monthly. The chair of each committee is appointed by the Board annually.

The Institute's Chairman's Forum also performs an advisory function to the Board. The Chairman's Forum comprises 15 members drawn largely from ASX50 companies. The Forum meets twice a year, unless otherwise agreed between the Forum Chairman and the Institute's Chief Executive Officer. The objective of the Forum is to promote discussion on issues of importance to Chairman of major Australian listed companies, and in doing so provide input and feedback to the Institute's Board and Management on its activities.

#### Division Councils

Division Councils have between five and ten members. These consist of up to eight members elected by the Institute's members in their state or territory and up to two members co-opted by the elected members. Each Council elects a President, who usually becomes a Division representative on the Institute's National Board. The rules for election and retirement of division council members are set out in the Constitution and By-laws, available on the Institute's website, [www.companydirectors.com.au](http://www.companydirectors.com.au).

The Division Councils advise the Board and the relevant Division on the conduct of activities and give effect to powers delegated to them by the Board. The Division Councils:

- 1) Advise the Board and CEO on;
  - a) Policy matters affecting the role of directors
  - b) Membership matters
  - c) The strategy and policies of the Institute itself and management issues that may arise from time to time
- 2) Administer the membership of the Division, approving new members and upgrades
- 3) Represent the views and aspirations of the Institute in the Division's territory and develop relationships with leaders in directorship, regulation and politics who reside or are active in these territories
- 4) Support the Division Manager with regard to
  - a) Events
  - b) Member service, member recruitment and retention and member grade matters
  - c) The general conduct of the Division, including Director and Board Development programs

The Division Managers report through the Chief Operating Officer to the CEO. The Division Council Charter is available on the Institute's website, [www.companydirectors.com.au](http://www.companydirectors.com.au).

#### Adherence to Ethical Standards

All of the Institute's members and the Board agree to be bound by the principles contained in the Code of Conduct. A copy of the code is provided to all members. The principles call for honesty, due care and diligence, and adherence to the spirit, as well as the letter, of the law.

All of the Institute's staff agree to use the approved organisational values to guide their decisions. The values are:

- True Professionalism
- Positive Influence
- Powerful Together
- Dynamic Performance
- Lasting Impact

## Financial report for the year ended 30 June 2010

### Corporate Governance Statement (continued)

Principle/Recommendation	Description/Reference of disclosure/Compliance
Principle 1 Lay solid foundations for management and oversight	
Recommendation 1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Contained in the Board Charter.
Recommendation 1.2 Companies should disclose the process for evaluating the performance of senior executives.	Contained in Performance Management Process.
Recommendation 1.3 Companies should disclose	
a) an explanation of any departure from Recommendations 1.1, 1.2 or 1.3.	No departures noted.
b) whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.	The Institute performed an evaluation and the Human Resource and Remuneration Committee confirm the process used.
c) Publicly available statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives.	Charter documents are located on the Institute's website. Board Charter Human Resources & Remuneration Committee Charter Audit, Risk & Compliance Committee Charter Nomination Committee Charter <a href="http://www.companydirectors.com.au/About us/Corporate Governance">www.companydirectors.com.au/About us/Corporate Governance</a>
Principle 2 Structure the board to add value	
Recommendation 2.1 A majority of the board should be independent directors.	All of the Board are non-executive independent directors with the exception of the CEO.
Recommendation 2.2 The chair should be an independent director.	The chair is an independent director.
Recommendation 2.3 The roles of chair and chief executive officer should not be exercised by the same individual.	The role of the chair and the CEO cannot be exercised by the same individual per the Board Charter.
Recommendation 2.4 The board should establish a nomination committee.	The Board has delegated authority to a nomination committee – refer Directors' Report
Recommendation 2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The last board evaluation was completed in December 2008. Evaluations are scheduled each other year with an evaluation to be undertaken next financial year.
Recommendation 2.6 Companies should disclose:	
<ul style="list-style-type: none"> <li>the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report</li> </ul>	Biographical details of Board members are available on the Institute's website.  <a href="http://www.companydirectors.com.au/About us/Board and Management">www.companydirectors.com.au/About us/Board and Management</a>
<ul style="list-style-type: none"> <li>the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds</li> </ul>	Names of directors and appointment/resignation and attendance at meetings are included in the Directors' Report.

## Financial report for the year ended 30 June 2010

### Corporate Governance Statement (continued)

Principle/Recommendation	Description/Reference of disclosure/Compliance	
Recommendation 2.6 (continued)	<ul style="list-style-type: none"> <li>the existence of any of the relationships listed in 2.1 and an explanation of why the board considers a director to be independent, notwithstanding the existence of those relationships</li> </ul>	None noted. Refer related party note 16 to the Institute's accounts. All directors, with the exception of the CEO, are considered to be independent.
	<ul style="list-style-type: none"> <li>a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company</li> </ul>	Available on a committee basis not to individual directors.
	<ul style="list-style-type: none"> <li>the period of office held by each director in office at the date of the annual report</li> </ul>	Refer Directors' Report
	<ul style="list-style-type: none"> <li>the names of members of the nomination committee and their attendance at meetings of the committee, or where a company does not have a nomination committee, how the functions of a nomination committee are carried out whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed</li> </ul>	Refer Directors' Report
	<ul style="list-style-type: none"> <li>an explanation of any departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.</li> </ul>	No departures noted.
<b>Principle 3</b>	<b>Promote ethical and responsible decision making</b>	
Recommendation 3.1	<p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> <li>the practices necessary to maintain confidence in the company's integrity</li> <li>the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</li> <li>the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	<p>The Institute has a Code of Conduct, By-Laws, Constitution and Division Council Charter which covers the governance of the Institute and principles of membership. A whistleblower policy is in place together with procedures located on the Institute's intranet.</p> <p><a href="http://www.companydirectors.com.au/About us/Corporate Governance">www.companydirectors.com.au/About us/Corporate Governance</a></p>
Recommendation 3.2	<p>Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.</p>	<p>The Institute is a not-for-profit public company limited by guarantee incorporated in Australia. As such it does not have tradeable shares or issue dividends.</p>
Recommendation 3.3	<p>An explanation of any departure from Recommendations 3.1, 3.2 or 3.3 should be included in the corporate governance statement in the annual report.</p>	No departures noted.

## Financial report for the year ended 30 June 2010

### Corporate Governance Statement (continued)

Principle/Recommendation		Description/Reference of disclosure/Compliance
Principle 4	Safeguard integrity in financial reporting	
Recommendation 4.1	The board should establish an audit committee.	The Board has delegated authorities to an Audit, Risk and Compliance Committee
Recommendation 4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>consists only of non-executive directors</li> <li>consists of a majority of independent directors</li> <li>is chaired by an independent chair, who is not chair of the board</li> <li>has at least three members.</li> </ul>	The committee is structured so that it; <ul style="list-style-type: none"> <li>Consists of only non-executive directors</li> <li>Consists of only independent directors</li> <li>Is chaired by an independent chair who is not chair of the board</li> <li>Consists of three members of the Board</li> </ul>
Recommendation 4.3	The audit committee should have a formal charter.	The committee charter is available on the Institute's website.
Recommendation 4.4	The following material should be included in the corporate governance statement in the annual report: <ul style="list-style-type: none"> <li>the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee, or, where a company does not have an audit committee, how the functions of an audit committee are carried out</li> <li>the number of meetings of the audit committee</li> <li>explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4.</li> <li>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: <ul style="list-style-type: none"> <li>the audit committee charter</li> <li>information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.</li> </ul> </li> </ul>	Qualifications of Board members are available on the Institute's website and in its annual review. Refer to the Directors' Report for meeting attendance. <ul style="list-style-type: none"> <li>Refer Directors' Report.</li> <li>No departures noted.</li> <li>The committee charter is available on the Institute's website. It documents objectives, duties and responsibilities and administration of the committee.</li> <li>Audit, Risk &amp; Compliance Committee Charter <a href="http://www.companydirectors.com.au/About us/Corporate Governance">www.companydirectors.com.au/About us/Corporate Governance</a></li> </ul>
Principle 5	Make timely and balanced disclosure	
Recommendation 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Institute is not an ASX disclosing entity but does report annually to members on the operations and financial results.

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## Financial report for the year ended 30 June 2010

### Corporate Governance Statement (continued)

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<b>Principle/Recommendation</b>	<b>Description/Reference of disclosure/Compliance</b>	
Recommendation 5.2	An explanation of any departures from Recommendations 5.1 or 5.2 should be included in the corporate governance statement in the annual report.	No departures noted.
<b>Principle 6</b>	<b>Respect the rights of shareholders</b>	
Recommendation 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Institute does not have shareholders but has members. Communication with members takes the form of a fortnightly electronic newsletter, monthly <i>Company Director</i> magazine, annual financial report and other communication through the Institute's website <a href="http://www.companydirectors.com.au">www.companydirectors.com.au</a> .
Recommendation 6.2	An explanation of any departure from Recommendations 6.1 or 6.2 should be included in the corporate governance statement in the annual report.	No departures noted.
<b>Principle 7</b>	<b>Recognise and manage risk</b>	
Recommendation 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board has established a policy for the oversight and management of material business risks.  The risk management policy is available; <a href="http://www.companydirectors.com.au/About us/Corporate Governance">www.companydirectors.com.au/About us/Corporate Governance</a>
Recommendation 7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Management reports a minimum of three times a year to the Audit, Risk and Compliance Committee in respect to risk management and internal control review. Formal review of the risk management policy, risk register and framework is undertaken annually by the Board.  The Audit, Risk and Compliance Committee charter is available on the Institute's website. It documents the objectives, duties and responsibilities and administration of the committee.  Audit, Risk and Compliance Committee Charter <a href="http://www.companydirectors.com.au/About us/Corporate Governance">www.companydirectors.com.au/About us/Corporate Governance</a>

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## Financial report for the year ended 30 June 2010

### Corporate Governance Statement (continued)

Principle/Recommendation		Description/Reference of disclosure/Compliance
Recommendation 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board has received assurance from key management personnel.
Recommendation 7.4	An explanation of any departure from Recommendations 7.1, 7.2 7.3 or 7.4	No departures noted.
Principle 8	Remunerate fairly and responsibly	
Recommendation 8.1	The board should establish a remuneration committee.	<p>The Board has delegated authorities to a Human Resources &amp; Remuneration Committee.</p> <p>Human Resources &amp; Remuneration Committee Charter  <a href="http://www.companydirectors.com.au/About us/Corporate Governance">www.companydirectors.com.au/About us/Corporate Governance</a></p>
Recommendation 8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	<p>Non-executive directors are volunteers and as such have not received or become entitled to receive a benefit from the Institute during the financial year.</p> <p>The charter for the Human Resources &amp; Remuneration Committee outlining objectives, responsibilities and administration of the committee is available on the Institute's website.</p>
Recommendation 8.3	<p>The following material or a clear cross-reference to the location of the material should be included in the corporate governance statement in the annual report:</p> <ul style="list-style-type: none"> <li>• the names of the members of the remuneration committee and their attendance at meetings of the committee, or where a company does not have a remuneration committee, how the functions of a remuneration committee are carried out</li> <li>• the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors</li> <li>• an explanation of any departures from Recommendations 8.1, 8.2 or 8.3.</li> </ul>	<p>Refer Directors' Report.</p> <p>None.</p> <p>No departures noted.</p>

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**Financial report for the year ended 30 June 2010***Statement of Comprehensive Income*

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<b>For the year ended 30 June 2010</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
Sale of goods		298	478
Provision of services			
Director & board development and events		23,295	20,691
Membership		10,771	9,942
Publishing		752	867
Licences		54	54
Goods and services revenue		35,170	32,032
Other income	4(a)	54	236
<b>Total revenue</b>		<b>35,224</b>	<b>32,268</b>
<b>Expenses</b>			
Provision of services			
Director & board development and events		(15,235)	(13,697)
Membership		(6,906)	(6,144)
Publishing		(1,966)	(2,178)
Administration		(9,946)	(9,197)
Other expenses		(2)	(203)
<b>Total expenses</b>	4(b,c,d,e,f,g,i)	<b>(34,055)</b>	<b>(31,419)</b>
<b>Surplus from operating activities</b>		<b>1,169</b>	<b>849</b>
Finance income	4(a)	1,624	951
Finance expense	4(h)	–	(1,786)
<b>Net finance income/(expense)</b>		<b>1,624</b>	<b>(835)</b>
<b>Surplus for the year</b>		<b>2,793</b>	<b>14</b>
<b>Total comprehensive income for the year</b>		<b>2,793</b>	<b>14</b>

The notes to the accounts are an integral part of these financial statements.

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**Financial report for the year ended 30 June 2010**
*Statement of Financial Position*


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For the year ended 30 June 2010	Note	2010 \$'000	2009 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	15,861	13,614
Trade and other receivables	6	1,538	1,472
Inventories	7	–	39
Prepayments		587	585
<b>Total current assets</b>		<b>17,986</b>	<b>15,710</b>
<b>Non-current assets</b>			
Plant and equipment	8	1,864	1,207
Intangible assets	9	768	156
Financial assets	10	10,487	7,690
<b>Total non-current assets</b>		<b>13,119</b>	<b>9,053</b>
<b>Total assets</b>		<b>31,105</b>	<b>24,763</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	6,136	4,894
Provisions	12	501	357
Deferred revenue	13	11,179	9,253
<b>Total current liabilities</b>		<b>17,816</b>	<b>14,504</b>
<b>Non-current liabilities</b>			
Trade and other payables	11	321	88
Provisions	12	384	380
<b>Total non-current liabilities</b>		<b>705</b>	<b>468</b>
<b>Total liabilities</b>		<b>18,521</b>	<b>14,972</b>
<b>Net assets</b>		<b>12,584</b>	<b>9,791</b>
<b>Members' funds</b>			
Retained surpluses		12,584	9,791
<b>Total members' funds</b>		<b>12,584</b>	<b>9,791</b>

The notes to the accounts are an integral part of these financial statements.

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**Financial report for the year ended 30 June 2010***Statement of Changes in Equity*

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<b>For the year ended 30 June 2010</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>
		<b>\$'000</b>	<b>\$'000</b>
Opening members' funds		9,791	9,777
Total comprehensive income for the year		2,793	14
<b>Members' funds</b>		<b>12,584</b>	<b>9,791</b>

The notes to the accounts are an integral part of these financial statements.

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**Financial report for the year ended 30 June 2010**
*Statement of Cash Flows*


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<b>For the year ended 30 June 2010</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers and sponsors		39,221	32,314
Payments to suppliers and employees		(33,875)	(31,284)
<b>Net cash flows from operating activities</b>	<b>5(b)</b>	<b>5,346</b>	<b>1,030</b>
<b>Cash flows from investing activities</b>			
Interest received		473	606
Dividends received		220	272
Franking credits received		71	73
Sale of other financial assets		1,053	953
Purchase of other financial assets		(3,000)	–
Payment for plant and equipment		(1,195)	(329)
Payment for intangible assets		(731)	(123)
<b>Net cash flows used in investing activities</b>		<b>(3,109)</b>	<b>1,452</b>
Net increase in cash and cash equivalents		2,237	2,482
Cash and cash equivalents at the beginning of the period		13,614	11,132
Effect of exchange rate fluctuations on cash held		10	–
<b>Cash and cash equivalents at the end of period</b>	<b>5(a)</b>	<b>15,861</b>	<b>13,614</b>

The notes to the accounts are an integral part of these financial statements.

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## Financial report for the year ended 30 June 2010

### Notes to the Financial Statements

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#### 1. Corporate Information

The financial report of the Australian Institute of Company Directors Limited (the Institute) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 8 September 2010.

The Australian Institute of Company Directors is a company limited by guarantee incorporated in Australia and by licence ("ASIC Licence") that was in force immediately before 1 July 1998, is allowed to omit "Limited" from its name.

The Institute is incorporated and domiciled in Australia.

#### 2. Basis of Preparation

##### (a) Statement of compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AASB's) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The following amendments to the Australian Accounting Standards have been recently issued or amended that would have had an impact on the Institute's disclosures and are available for early adoption by the Institute:

AASB 1053 Application of Tiers of Australian Accounting Standards

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

AASB 9 Financial Instruments

AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

These standards and amendments have not been adopted.

All other amendments or Australian Accounting Standards available for early adoption will have no impact on the Institute and hence have not been early-adopted.

##### (b) Basis of measurement

The financial report has also been prepared on a historical cost basis, except for financial assets, which have been measured at fair value.

##### (c) Functional and presentation currency

The financial report is presented in Australian dollars. The functional currency is Australian dollars. Comparative information is reclassified where appropriate to enhance comparability.

##### (d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 12 – Provisions, in relation to make good provisions.

#### 3. Summary of Significant Accounting Policies

##### (a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

###### (i) Membership

Annual membership subscriptions are recognised as revenue pro rata over the period of the membership. The date of payment of the initial Annual membership subscription becomes the renewal date. Subscriptions are not refundable. Subscriptions received in advance of the provision of membership services are recognised as deferred revenue.

###### (ii) Director & Board Development and Events

Revenue from Director & Board Development and Event activities is recognised when the function or course is held.

###### (iii) Licences

Revenue from licences consists of income from licensing the Company Directors Course to other organisations and is recognised when received.

###### (iv) Sale of goods – publications

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of goods are considered passed to the buyer at the time of delivery of the goods to the customer.

## Financial report for the year ended 30 June 2010

### Notes to the Financial Statements (continued)

#### (v) Publishing

Revenue from the *Company Director* magazine is recognised on the provision of the service.

#### (vi) Financial income

Financial income includes dividend, interest and other financial income. Dividend revenue is recognised when the Institute's right to receive payment is established. Interest income is recognised as it accrues in the surplus or deficit, using the effective interest rate method. Other financial income includes gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets held at fair value. These are recognised as incurred.

#### (b) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

#### (c) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### (d) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An allowance for doubtful debts is made when there is objective evidence that the Institute will not be able to collect the debts. Bad debts are written off when identified.

#### (e) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory on hand on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

#### (f) Income tax

Section 50 of the Income Tax Assessment Act 1997 provides that certain institutions will be exempt from income tax. The Australian Institute of Company Directors falls specifically under Section 50-B of the Act.

#### (g) Other taxes

##### GST

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

- when the GST incurred on a purchase 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; and
- receivables and payables, which are stated with the amount of GST included.

GST Exemption on public events was applied from 1 January 2009.

##### Payroll Tax

The Institute is Exempt from payroll tax in Queensland and New South Wales.

#### (h) Plant and equipment

Plant and equipment is 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:

	Life	Method
Office plant and equipment	2 – 6 years	Straight Line
Leasehold improvements	4 – 10 years	Straight Line

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

##### Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit in the year the asset is derecognised.

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## Financial report for the year ended 30 June 2010

### Notes to the Financial Statements (continued)

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#### (i) Investments and other financial assets

##### Recognition

Financial assets are classified as held for trading.

An instrument is classified as at fair value through the surplus or deficit if it is held for trading. Financial instruments are designated at fair value through the surplus or deficit in accordance with the Institute's documented investment strategy. Upon initial recognition attributable transaction costs are recognised in the statement of comprehensive income when incurred. Financial instruments at fair value through the surplus or deficit are measured at fair value and changes therein are recognised in the statement of comprehensive income.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- (i) the rights to receive cash flows from the asset have expired;
- (ii) the Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- (iii) the Institute has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### (j) Impairment

##### Financial assets

The Institute first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the surplus or deficit, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

##### Non-financial assets other than goodwill

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Non-financial assets, other than goodwill, that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have been reversed.

#### (k) Intangible assets

Intangible assets acquired separately are initially measured at cost.

Following initial recognition, website intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets for these website related projects, excluding capitalised development costs, are not capitalised and expenditure is charged against the surplus in the year in which the expenditure is incurred.

The useful life of the website and software intangible assets has been assessed to be finite. The website and software is amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for the website and software intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense is recognised in the surplus or deficit as an amortised expenditure.

## Financial report for the year ended 30 June 2010

### Notes to the Financial Statements (continued)

#### (k) Intangible assets (continued)

A summary of the policies applied to the Institute's intangible assets is as follows:

##### Development costs – website

<b>Useful life</b>	Finite (2009: Finite)
<b>Amortisation method used</b>	Amortised over the period of expected future sales (as recorded through the website) on a straight-line basis
<b>Internally generated or acquired</b>	Internally generated and acquired
<b>Impairment testing</b>	Is conducted annually, with the volume of sales activity used as a measure of useful life. The amortisation method is reviewed at each financial year-end

##### Development costs – software

<b>Useful life</b>	Finite (2009: Finite)
<b>Amortisation method used</b>	Amortised over the period of expected time to which the software will be upgraded (2 to 3 years) on a straight-line basis.
<b>Internally generated or acquired</b>	Internally generated and acquired
<b>Impairment testing</b>	Is conducted annually, with the upgrade of software as a measure of useful life. The amortisation method is reviewed at each financial year-end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the surplus or deficit when the asset is derecognised.

#### (l) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Institute prior to the end of the financial year that are unpaid and arise when the Institute becomes obliged to make future payments in respect of the purchase of these goods and services.

#### (m) Provisions

Provisions are recognised when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

#### (n) Employee leave benefits

##### Wages, salaries, annual leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

##### Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

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**Financial report for the year ended 30 June 2010***Notes to the Financial Statements (continued)*

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**4. Revenues and Expenses**

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	2010	2009
	\$'000	\$'000
<b>(a) Revenue</b>		
<b>Finance income</b>		
Interest	473	606
Dividends	220	272
Franking Credits	71	73
Fair value movements of financial assets held at fair value	860	–
Finance income	<u>1,624</u>	<u>951</u>
<b>Other income</b>		
Other income – payroll tax refunds	54	236
<b>(b) Cost of inventory recognised as an expense</b> (includes write-down of inventory to net realisable value)	376	512
<b>(c) Depreciation and amortisation:</b>		
Plant and equipment – depreciation	196	171
– leasehold improvements	273	218
Intangibles – amortisation	151	92
<b>(d) Lease payments and other expenses included in administrative expenses</b>		
Operating lease rental expense:		
Minimum lease payments	1,387	1,289
<b>(e) Employee benefits expense</b>		
Salary and wages	12,253	10,193
Superannuation	887	1,306
Long service leave	162	(30)
Annual leave	128	142
	<u>13,430</u>	<u>11,611</u>
<b>(f) Bad and doubtful debts expense</b>	4	20
<b>(g) Finance costs relating to lease accounting</b>	6	16
<b>(h) Finance expense</b>		
Fair value movements of financial assets held at fair value	–	1,786
<b>(i) Net loss on sale or disposal of plant and equipment</b>	15	3

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**Financial report for the year ended 30 June 2010**
*Notes to the Financial Statements (continued)*


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**5. Cash and Cash Equivalents**


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	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	4,491	4,821
Short term deposits	10,960	8,793
Short term deposits – foreign exchange	410	–
	<b>15,861</b>	<b>13,614</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Institute, and earn interest at the respective short-term deposit rates.

Short-term deposits – foreign exchange relates to a holding of United States Dollars. The account is to be used in 2011 to support the offshore annual conference scheduled for Beijing, China.

These funds are part of a strategic investment fund held and offset deferred revenue as represented by Note 13 of \$11,178,757.

**(a) Reconciliation to cash flow statement**

For the purposes of the cash flow statement, cash and cash equivalents comprise the following at 30 June:

Cash at bank and on hand	4,491	4,821
Short term deposits	11,370	8,793
	<b>15,861</b>	<b>13,614</b>

**(b) Reconciliation of net surplus to net cash flows from operations**

Net income	2,793	14
Adjustments for:		
Fair value movements of financial assets held at fair value	(850)	1,786
Depreciation/amortisation of non-current assets	620	481
Loss on disposal of plant and equipment	15	3
Interest received	(473)	(606)
Dividends received	(220)	(272)
Franking credits received	(71)	(73)
Foreign exchange gain	(10)	–
Transfers to provisions:		
Provision for employee benefits	140	(78)
Lease incentive	263	(13)

**Net cash provided by operating activities before changes in net assets and liabilities**

<b>2,207</b>	<b>1,242</b>
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**Financial report for the year ended 30 June 2010**

*Notes to the Financial Statements (continued)*

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**5. Cash and Cash Equivalents (continued)**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Changes in assets and liabilities		
(Increase)/Decrease in:		
Trade and other receivables	(66)	(163)
Prepayments	(2)	349
Inventories	39	(19)
Increase/(Decrease) in:		
Trade and other payables	1,242	(379)
Deferred revenue	1,926	–
<b>Net cash from operating activities</b>	<b>5,346</b>	<b>1,030</b>

The Institute has bank guarantees in respect of leased properties to the amount of \$981,414 (2009: \$667,714) at year-end. The bank guarantees do not impose any restrictions on the use of cash.

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**Financial report for the year ended 30 June 2010**
*Notes to the Financial Statements (continued)*


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**6. Trade and Other Receivables (Current)**


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	2010	2009
	\$'000	\$'000
<b>(a) Trade and other receivables</b>		
Trade receivables	891	857
Less allowance for doubtful debts	(3)	(7)
	<u>888</u>	<u>850</u>
Other receivables	579	536
Accrued income	71	86
<b>Total trade and other receivables</b>	<u><b>1,538</b></u>	<u><b>1,472</b></u>
<b>(b) Past due but not impaired</b>		
30 to 60 days	403	190
61 to 90 days	10	37
Over 90 days	39	39
<b>Total past due but not impaired trade debtors</b>	<u><b>452</b></u>	<u><b>266</b></u>

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

**Credit risk**

The Institute's Membership, Events, Sponsorship and Director & Board Development courses are paid in advance and therefore mitigate the exposure to credit risk. Receivable balances for courses and events are not considered collectible until after the course or event has occurred.

Receivable balances are monitored on an ongoing basis with the result that the Institute's exposure to bad debts is minimal. The *Company Director* magazine gives rise to the only significant concentration of credit risk within the Institute; these amounts represent monthly accounts for advertising revenue in the *Company Director* magazine billed on 30 day terms.

The carrying amount of financial assets and liabilities as shown on the face of the balance sheet represents the maximum credit risk to which the Institute is exposed.

**7. Inventories**

Publications (at net realisable value)	-	39
	<u>-</u>	<u>39</u>

Inventory write-downs recognised as an expense totalled \$19,242 (2009: \$13,989) for the Institute. This expense is included in the cost of sales line item as a cost of inventories. See Note 4(b). During the year the bookshop was decommissioned.

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**Financial report for the year ended 30 June 2010**

*Notes to the Financial Statements (continued)*

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**8. Plant and Equipment**

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	<b>Plant and equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Year ended 30 June 2010</b>			
At 1 July 2009, net of accumulated depreciation and impairment	440	767	1,207
Additions	247	948	1,195
Transfers	(71)	39	(32)
Disposals	(16)	(21)	(37)
Depreciation charge for the year	(196)	(273)	(469)
<b>At 30 June 2010, net of accumulated depreciation and impairment</b>	<b>404</b>	<b>1,460</b>	<b>1,864</b>

**At 30 June 2010**

Cost	1,228	2,268	3,496
Accumulated depreciation and impairment	(824)	(808)	(1,632)
<b>Net carrying amount</b>	<b>404</b>	<b>1,460</b>	<b>1,864</b>

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	<b>Plant and equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Year ended 30 June 2009</b>			
At 1 July 2008, net of accumulated depreciation and impairment	356	914	1,270
Additions	258	71	329
Disposals	(3)	–	(3)
Depreciation charge for the year	(171)	(218)	(389)
<b>At 30 June 2009, net of accumulated depreciation and impairment</b>	<b>440</b>	<b>767</b>	<b>1,207</b>

**At 30 June 2009**

Cost	1,200	1,312	2,512
Accumulated depreciation and impairment	(760)	(545)	(1,305)
<b>Net carrying amount</b>	<b>440</b>	<b>767</b>	<b>1,207</b>

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**Financial report for the year ended 30 June 2010**
*Notes to the Financial Statements (continued)*


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**9. Intangible Assets**


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	Development costs (website)	Software	Total
	\$'000	\$'000	\$'000
<b>Year ended 30 June 2010</b>			
At 1 July 2009, net of accumulated depreciation and impairment	41	115	156
Additions	85	646	731
Transfers	(41)	73	32
Disposals	–	–	–
Amortisation charge for the year	(2)	(149)	(151)
<b>At 30 June 2010, net of accumulated depreciation and impairment</b>	<b>83</b>	<b>685</b>	<b>768</b>

**At 30 June 2010**

Cost (gross carrying amount)	331	1,300	1,631
Accumulated amortisation and impairment	(248)	(615)	(863)
<b>Net carrying amount</b>	<b>83</b>	<b>685</b>	<b>768</b>

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	Development costs (website)	Software	Total
	\$'000	\$'000	\$'000
<b>Year ended 30 June 2009</b>			
At 1 July 2008, net of accumulated depreciation and impairment	66	59	125
Additions	–	123	123
Disposals	–	–	–
Amortisation charge for the year	(25)	(67)	(92)
<b>At 30 June 2009, net of accumulated depreciation and impairment</b>	<b>41</b>	<b>115</b>	<b>156</b>

**At 30 June 2009**

Cost (gross carrying amount)	299	569	868
Accumulated amortisation and impairment	(258)	(454)	(712)
<b>Net carrying amount</b>	<b>41</b>	<b>115</b>	<b>156</b>

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## Financial report for the year ended 30 June 2010

Notes to the Financial Statements (continued)

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### 10. Financial Assets

	2010	2009
	\$'000	\$'000
<b>Non-current</b>		
Financial assets at fair value through profit or loss	10,487	7,690
	<b>10,487</b>	<b>7,690</b>

These funds are part of a strategic investment fund held to offset deferred revenue totalling \$11,178,757, as represented by Note 13. These financial assets are intended to be held for a period greater than 12 months and as such are classified as non-current.

#### Risk management, objectives and policies

The Institute's principal financial instruments comprise cash, listed equity investments and short-term deposits. The Institute has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Institute's financial instruments are credit risk, market risk and currency risk. The Institute has no borrowings and as such there are no exposures to cash flow interest rate risk and liquidity risk. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

#### Investment policy

The Institute holds listed equity investments consisting of investments in wholesale funds. The Institute does not hold any direct investments in equities. On occasion the Institute also holds fixed term bonds with interest rates that have fixed rates of return.

The objective of the Institute's investment policy is to target a reasonable return from its investments. This allows the Institute to satisfy two competing objectives:

- To maximise the value provided to members, either by minimising the cost of membership and other services provided, or by maximising the re-investment in long-term initiatives of benefit to the membership
- To ensure that sufficient financial reserves exist to sustain the organisation through economic cycles.

The overall expected long-term average return of the investment is 7.2% pa. This takes into consideration currency and market fluctuations.

#### Fair values

In comparing carrying amounts and fair values of all of the Institute's financial instruments recognised in the financial statements, the carrying amounts approximate the carrying values. Market values have been used to determine the fair value of listed Financial Investments.

#### Market risk

Changes in equity prices for investments held in wholesale funds will affect the Institute's income and the value of its holdings. Changes in interest rates will impact the value of the fixed term bonds.

#### Listed securities and trusts and wholesale funds

A 1% change in equity prices at reporting date would have increased/decreased the surplus and equity by approximately \$104,870. A proportion of this investment is held in international funds and equities. Exposure to foreign currency risk is not considered to be a significant risk given the low proportion of the investment held in international funds. The most significant risk to the value of this investment is equity price risk.

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## Financial report for the year ended 30 June 2010

### Notes to the Financial Statements (continued)

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## 10. Financial Assets (continued)

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### Floating rate note

A 1% change in the interest rate on the floating rate note at reporting date would have increased/decreased the surplus and equity by approximately \$5,040.

### Foreign currency risk

The Institute's investments in wholesale funds are subject to foreign currency risk to the extent that the fund's managers invest in international funds and shares. Foreign currency exposure is not considered to be a significant risk given the proportion of the investment held in international funds.

The Institute holds a United States Dollar account specifically for the 2011 Company Director Conference in Beijing. The purpose of the account is to ensure the costs of the conference are not exposed to major fluctuations in foreign exchange rates.

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

### Year ended 30 June 2010

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Listed securities and trusts	1,787	–	–	1,787
Wholesale funds	–	8,196	–	8,196
Floating rate note	–	504	–	504
<b>Total</b>	<b>1,787</b>	<b>8,700</b>	<b>–</b>	<b>10,487</b>

### Year ended 30 June 2009

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Listed securities and trusts	1,108	–	–	1,108
Wholesale funds	–	6,582	–	6,582
<b>Total</b>	<b>1,108</b>	<b>6,582</b>	<b>–</b>	<b>7,690</b>

## Financial report for the year ended 30 June 2010

Notes to the Financial Statements (continued)

### 10. Financial Assets (continued)

	1 year or less \$'000	1 – 2 years \$'000	2 – 5 years \$'000	Non- interest bearing \$'000	Total \$'000	Weighted average effective interest rate %
<b>Year ended 30 June 2010</b>						
<b>Financial assets</b>						
Floating rate						
Cash	4,491	–	–	–	4,491	3.88%
Short term money market investments	10,960	–	–	–	10,960	3.68%
Listed equity investments	–	–	–	9,983	9,983	
Floating rate note	–	–	504	–	504	4.80%
Trade and other receivables	–	–	–	1,538	1,538	
Foreign Exchange	410	–	–	–	410	
	<b>15,861</b>	<b>–</b>	<b>504</b>	<b>11,521</b>	<b>27,886</b>	
<b>Financial liabilities</b>						
Floating rate						
Trade and other payables	–	–	–	6,136	6,136	
Subscriptions and fees in advance	–	–	–	11,179	11,179	
	<b>–</b>	<b>–</b>	<b>–</b>	<b>17,315</b>	<b>17,315</b>	

	1 year or less \$'000	1 – 2 years \$'000	2 – 5 years \$'000	Non- interest bearing \$'000	Total \$'000	Weighted average effective interest rate %
<b>Year ended 30 June 2009</b>						
<b>Financial assets</b>						
Floating rate						
Cash	4,821	–	–	–	4,821	3.70%
Short term money market investments	8,793	–	–	–	8,793	5.50%
Listed equity investments	–	–	–	7,690	7,690	
Trade and other receivables	–	–	–	1,472	1,472	
	<b>13,614</b>	<b>–</b>	<b>–</b>	<b>9,162</b>	<b>22,776</b>	
<b>Financial liabilities</b>						
Floating rate						
Trade and other payables	–	–	–	4,894	4,894	
Subscriptions and fees in advance	–	–	–	9,253	9,253	
	<b>–</b>	<b>–</b>	<b>–</b>	<b>14,147</b>	<b>14,147</b>	

## Financial report for the year ended 30 June 2010

Notes to the Financial Statements (continued)

### 11. Trade and Other Payables

	2010	2009
	\$'000	\$'000
<b>Current</b>		
Trade payables and accruals	5,091	3,760
Annual leave	832	703
Lease accrual	213	431
	<b>6,136</b>	<b>4,894</b>
<b>Non-current</b>		
Lease accrual	321	88

Trade payables are non-interest bearing and are normally settled on 30-day terms.

### 12. Provisions

	Make good provision \$'000	Long service leave \$'000	Total \$'000
<b>Current 30 June 2010</b>	38	463	501
Non-current 30 June 2010	299	85	384
<b>Total Provisions 30 June 2010</b>	<b>337</b>	<b>548</b>	<b>885</b>
<b>Current at 30 June 2009</b>	-	357	357
Non-current at 30 June 2009	329	51	380
<b>Total Provisions 30 June 2009</b>	<b>329</b>	<b>408</b>	<b>737</b>

	Make good provision \$'000
At 1 July 2009	329
Arising during the year	30
Utilised	(7)
Unused amounts reversed	(37)
Discount rate adjustment	22
<b>At 30 June 2010</b>	<b>337</b>

#### Make good provisions

In accordance with the lease agreements for Sydney (2 offices), Brisbane, Melbourne, Canberra and Perth, the Institute must restore the leased premises to their original condition at the termination of the leases being 2015 & 2012, 2017, 2010, 2012 and 2014 respectively. Due to the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will ultimately be incurred.

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**Financial report for the year ended 30 June 2010**

*Notes to the Financial Statements (continued)*

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**13. Deferred Revenue**

	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Courses and events	4,651	3,476
Membership	6,095	5,353
Sponsorship and publications	433	424
	<b>11,179</b>	<b>9,253</b>

**14. Commitments for Expenditure****(a) Commitments under Non-cancellable Operating Leases**

Not later than 1 year	1,659	1,378
Later than 1 year but not later than 5 years	5,829	5,154
Later than 5 years	268	682
	<b>7,756</b>	<b>7,214</b>

Operating leases are in respect of office premises in: Sydney (2 offices), Melbourne, Brisbane, Perth, Canberra, Hobart and Adelaide; and equipment rental (office equipment). Operating leases for premises are for fixed periods with generally fixed rental payments and have fixed escalation clauses.

There are no restrictions placed on the lessee by entering into these leases.

The weighted average interest rate implicit in the leases is 3.5% (2009:3%).

**(b) Capital Expenditure Commitments**

Not later than 1 year	3,717	–
Later than 1 year but not later than 5 years	425	–
	<b>4,142</b>	<b>–</b>

Capital commitment represents an Information Technology refresh spanning 2 years and the fitout of the Victorian office (including training facilities).

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**Financial report for the year ended 30 June 2010**
*Notes to the Financial Statements (continued)*


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**15. Remuneration of Auditors**


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	2010	2009
	\$	\$
Amounts received, or due and receivable, for the audit of the financial report		
KPMG	58,400	51,100

Non-audit services provided by KPMG in relation to tax consulting, internal audit and project governance services totalled \$61,700 (2009: \$79,497) during the current financial year.

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<b>Non-audit services description</b>	2010	2009
	\$	\$
Other assurance services	-	1,000
Taxation services	9,700	73,997
Other services	52,000	4,500
<b>Total non-audit services</b>	<b>61,700</b>	<b>79,497</b>

The Institute received revenue from sponsorship of events from KPMG of \$145,000 (2009: \$138,000).

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## Financial report for the year ended 30 June 2010

Notes to the Financial Statements (continued)

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### 16. Related Party Disclosures

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#### (a) Key management personnel

##### (i) Directors

Director	Title	Appointed/Retired
Mr Richard John Lee FAICD	Chairman	Appointed 02.11.2007
Mr John Douglas Story FAICD	Chairman	Retired 05.11.2009
Ms Elizabeth Blomfield Bryan FAICD	National Director	Appointed 15.11.2005
Mr Alfred Hamilton Dale Budd OBE FAICD	President, ACT	Retired 06.11.2008
Mr Terence Charles Budge FAICD	National Director	Retired 06.11.2008
Mr Steven Cole FAICD	President, WA	Appointed 07.11.2008
Mr Lynley Thomas Cox FAICD	President, TAS	Appointed 02.11.2007
Mr Colin Galbraith AM FAICD	National Director	Appointed 02.11.2006
Ms Fiona Elizabeth Harris FAICD	National Director	Appointed 15.11.2005
Mr Richard Haire FAICD	President, QLD	Appointed 05.11.2009
Mr Alan Hewitt FAICD	President, SA&NT	Appointed 02.11.2007
Mr Brand Hoff FAICD	President, ACT	Appointed 07.11.2008
Mr Martin Douglas Eberlein Kriewaldt FAICD	President, QLD	Retired 05.11.2009
Mr Kevin McCann AM FAICD	President, NSW	Appointed 05.11.2009
Mrs Linda Bardo Nicholls AO FAICD	President, VIC	Retired 05.11.2009
Ms Alison Watkins FAICD	President, VIC	Appointed 05.11.2009
Mr John H.C. Colvin FAICD	Chief Executive & Managing Director	Appointed 07.11.2008

##### (ii) Executives

Mr Andrew Madry GAICD	Chief Operating Officer & Company Secretary
Mr Rob Elliott FAICD	General Manager Policy & General Counsel
Ms Maureen Monckton MAICD	General Manager Director & Board Development
Mr Bradley Sherringham MAICD	Chief Financial Officer
Mrs Marie Campion MAICD	General Manager Marketing
Mr Steve Burrell MAICD	General Manager Communications & Public Affairs

#### (b) Compensation of key management personnel

The Institute recognises and rewards performance and behaviour that support our core values and strategic themes. The Institute values employee contribution through our Remuneration and Benefits Philosophy. The philosophy is based on four principles:

- Share information of business achievements and financials to show how people can make a difference
- Reward results with variable pay to motivate top performing team members
- Create a positive experience through our reward mechanisms
- Align our rewards with business goals to create a winning partnership

Rewards and benefits are made up of base salary and a variable pay component.

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**Financial report for the year ended 30 June 2010**
*Notes to the Financial Statements (continued)*


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**16. Related Party Disclosures (continued)**


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**(i) Human Resources & Remuneration Committee**

The Human Resources & Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Chief Executive Officer (CEO) and all other key management personnel.

The Committee assesses the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions.

**(ii) Director Compensation**

The non-executive directors of the Institute are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly in their capacity as a director from the Institute or any related party. The Chief Executive Officer was appointed by the Board as an executive director and was remunerated as an employee of the Institute.

Transactions with directors and their related parties have been under the Institute's normal terms and conditions of trading.

**(iii) Executive Compensation**
**Fixed Compensation**

The Institute aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities so as to:

- reward executives for Institute, business unit and individual performance against targets set to appropriate benchmarks;
- link rewards with the strategic goals and performance of the Institute; and
- ensure total compensation is competitive by market standards.

**Variable Compensation**

The objective of the Bonus Scheme is to reward high performers and key talent as well as to motivate and encourage those staff members who have performed beyond the core requirements of their specific role during the past 12 months.

**Compensation of key management personnel**


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<b>Compensation by category</b>	<b>2010</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Short term employee benefits	2,512	1,972
Post employment benefits	227	348
Long term employee benefits	85	128
	<b>2,824</b>	<b>2,448</b>

The above table includes bonus payments allocated in accordance with the Institute's policy.

Income of executives comprises amounts paid or payable to executive officers domiciled in Australia, directly or indirectly, by the Institute or any related party in connection with the management of the affairs of the entity or economic entity, whether as executive officers or otherwise.

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## Financial report for the year ended 30 June 2010

### Directors' Declaration

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In accordance with a resolution of the directors of the Australian Institute of Company Directors:

1. In the opinion of the directors:
  - a) the financial statements and notes of the Institute are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Institute's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
    - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - b) there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.
  - c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2010.

On behalf of the Board



**J.H.C. Colvin FAICD**  
Chief Executive and Managing Director



**R.J. Lee FAICD**  
Chairman

Sydney  
Dated: 8 September, 2010

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## Financial report for the year ended 30 June 2010

*Independent Auditor's Report to the members of the Australian Institute of Company Directors*

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### Report on the Financial Report

We have audited the accompanying financial report of Australian Institute of Company Directors (the company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 16 and the directors' declaration.

#### Directors' responsibility for the financial report

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

#### Auditor's responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of its performance.

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

#### Independence

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

#### Auditor's opinion

In our opinion:

- (a) the financial report of Australian Institute of Company Directors is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

KPMG

Mark Epper  
Partner

Sydney  
8 September 2010

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## Financial report for the year ended 30 June 2010

### Division Councillors

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#### **Australian Capital Territory**

Mr Brand Hoff FAICD *President*  
Mr Dale Budd OBE FAICD  
Ms Terina Brierley GAICD  
Mr Ross Cottrill FAICD  
Mr Michael Kilgariff FAICD\*  
Mr Eric Leape FAICD  
Ms Anne O'Donnell FAICD  
Mr Hena Power MAICD  
Ms Fran Raymond GAICD  
Mr Nigel Phair GAICD^  
Dr Vivienne Thom FAICD^

#### **New South Wales**

Mr H Kevin McCann AM FAICD *President*  
Mr Rick Lee FAICD\* *President*  
Mr Andrew Amer FAICD  
Ms Anne Brennan FAICD^  
Ms Kathleen Conlon FAICD  
Ms Julie Garland McLellan FAICD  
Mr Peter Hamilton FAICD  
Mr Ewoud Kulk FAICD  
Mr David Minty FAICD  
Mr Lindsay Yelland FAICD  
Ms Rhonda Hawkins FAICD\*

#### **Queensland**

Mr Richard Haire FAICD *President*  
Mr Martin Kriewaldt FAICD *President\**  
Mr Keith De Lacy FAICD *Vice President*  
Ms Marian Micalizzi MAICD\*  
Mr John Lyons FAICD  
Ms Susan Rix GAICD  
Mr Peter Forbes FAICD  
Mr Duncan Schultz FAICD  
Mr Bruce Cowley MAICD  
Mr Mel Bridges FAICD  
Ms Sally Pitkin^  
Ms Bronwyn Morris^

#### **South Australia / Northern Territory**

Mr Alan Hewitt FAICD *President*  
Mr Bruce Trebilcock FAICD  
Mr James Dickson MAICD  
Ms Vanessa Bouilly FAICD  
Mr Chris Stewart GAICD  
Dr Bronwyn Halliday FAICD^  
Ms Heather Webster MAICD  
Mr Brenton Ellery MAICD  
Mr Bruce Linn FAICD  
Mr Peter Carew FAICD  
(*Chairman NT Committee*)  
Mr Geoff Thomas FAICD\*

#### **Tasmania**

Mr Lyn Cox FAICD *President*  
Mr Tony Harrison FAICD  
*Vice President*  
Mr Finian MacCana FAICD  
Mr Rod Roberts FAICD  
Mr John Upcher FAICD  
Mr Derris Gillam FAICD ^  
Mrs Heather Chong FAICD ^  
Ms Jo Archer FAICD^  
Ms Sally Darke FAICD\*

#### **Victoria**

Ms Alison Watkins FAICD *President*  
Ms Linda Nicholls AO FAICD *President\**  
Mr Graeme Bowker FAICD  
Mr Peter Kronborg FAICD  
Ms Marion Macleod FAICD  
Ms Kate Spargo FAICD  
Ms Susan Oliver FAICD^  
Dr Vince FitzGerald FAICD  
Mr David Bayes FAICD^  
Mr Bill Scales AO FAICD^

#### **Western Australia**

Mr Steven Cole FAICD *President*  
Mr Michael Smith FAICD *Vice President*  
Ms Valerie Davies FAICD *Vice President*  
Mr Steve Scudamore FAICD  
Mr Harvey Collins FAICD  
Mr Craig Readhead FAICD  
Mr Gene Tilbrook FAICD  
Ms Gaye McMath FAICD  
Mr Rick Crabb FAICD  
Ms Alison Gaines FAICD^  
Mr Bill Bloking FAICD\*

#### **Key:**

^ denotes began during year

\* denotes resigned/retired during or at end of year

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## Financial report for the year ended 30 June 2010

### Chairman's Forum and Committees

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#### Chairman's Forum

Mr Don Argus AC FAICD *Chairman*  
Ms Elizabeth Bryan FAICD  
Mr Michael Chaney AO FAICD  
Mr John H C Colvin FAICD  
Mr David Crawford AO FAICD  
Sir Rod Eddington\*  
Mr Edward Evans AC MAICD^  
Mr David Gonski AC FAICDLife  
Mr Mark Johnson AO FAICD  
Mr Rick Lee FAICD  
Ms Catherine Livingstone AO MAICD^  
Mr Peter Mason AM FAICD  
Mr John Morschel FAICD^  
Dr John Schubert FAICD  
Mr John Story FAICD  
Mr James Strong AO FAICD  
  
Ms Jennifer Stafford GAICD\*  
Senior Policy Advisor  
  
Ms Anthea Grace MAICD^  
Senior Policy Advisor/Legal Counsel

#### Corporate Governance Committee

Mr Kevin McCann AM FAICD *Chairman*  
Mr Anthony Berg AM FAICD  
Mr Graham Bradley AM FAICD  
Ms Elizabeth Bryan FAICD  
Mr David Clarke AO FAICD\*  
Mr John H C Colvin FAICD  
Mr Stephen Gerlach AM FAICD  
Ms Belinda Hutchinson AM FAICD^  
Mr Graham Kraehe AO FAICD^  
Mr Martin Kriewaldt FAICD  
Dr Simon Longstaff  
Mr Charles Macek FAICD^  
Mr Don Mercer FAICD\*  
Dr Helen Nugent AO FAICD  
Mr John O'Sullivan MAICD^  
  
Ms Jennifer Stafford GAICD\*  
Senior Policy Advisor  
  
Ms Anthea Grace MAICD^  
Senior Policy Advisor/Legal Counsel

#### Law Committee

Professor Bob Baxt AO FAICDLife  
*Chairman*  
Mr Andrew Amer FAICD  
Mr Maurice Baroni  
Mr Miles Bastick MAICD  
Mr Bill Beerworth FAICD  
Mr Tom Bostock FAICD  
Ms Priscilla Bryans AAICD^  
Mr John H C Colvin FAICD  
Mr Bruce Cowley MAICD  
Mr Ewen Crouch FAICD^  
Ms Sarah Dulhunty MAICD  
Mr Rob Elliott FAICD  
Ms Kathleen Farrell MAICD  
Mr Ron Forster MAICD  
Mr David Friedlander  
Mr Colin Galbraith AM FAICD  
Mr Tony Hulett  
Mr Steven Knight MAICD^  
Mr Andrew Lumsden MAICD  
Mr Ben McLaughlin MAICD  
Mr Tim McDonald  
Ms Julie McPherson MAICD  
Mr Geoff Miller~  
Mr James Morris FAICD  
Mr Jon North  
Ms Kate Preston~  
Mr John Price~  
Professor Ian Ramsay  
Mr Craig Readhead FAICD  
Ms Jan Redfern PSM MAICD^  
Mr Brian Salter MAICD^  
Ms Jillian Segal AM FAICD  
Mr Peter Shaw MAICD  
Mr Malcolm Starr  
Mr Philip Stern AAICD  
Mr Frank Zipfinger MAICD  
  
Ms Gabrielle Upton FAICD  
Legal Counsel/Senior Policy Advisor

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## Financial report for the year ended 30 June 2010

### Committees

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#### Reporting Committee

Mr Michael Coleman FAICD *Chairman*  
Mr Mark Johnson FAICD\*  
*Deputy Chairman*  
Mr James Beecher FAICD  
*Deputy Chairman*<sup>^</sup>  
Miss Elizabeth Alexander AM FAICD  
Mr John Allpass FAICD  
Ms Dianne Azoor Hughes MAICD  
Ms Terina Brierley GAICD  
Mr Peter Cadwallader FAICD  
Mr Gavin Campbell FAICD\*  
Mr Andrew Crawford FAICD\*  
Mr John H C Colvin FAICD  
Ms Judith Downes MAICD<sup>^</sup>  
Mr Lloyd Draney FAICD  
Mr Brenton Ellery GAICD  
Mr Rob Elliott FAICD  
Mr Peter Forbes FAICD  
Mr Bede Fraser~\*  
Mr Michael Ford\*

Mr Derris Gillam FAICD  
Mr Ian Fraser MAICD  
Mr Stuart Grant FAICD  
Ms Fiona Harris FAICD  
Ms Kerry Hicks  
Mr Peter Housden FAICD  
Ms Sam Lewis  
Mr John Massey FAICD Life  
Ms Susan Oldmeadow-Hall FAICD  
Mr Gary Pflugrath<sup>^</sup>  
Mr Keith Reilly  
Mr Antony Robb FAICD  
Mr Steve Scudamore FAICD  
Mr James Service AO FAICD\*  
Mr Mark Sewell~<sup>^</sup>  
Mr David Watson MAICD\*  
Mr Lindsay Yelland FAICD  
  
Ms Leah Watterson GAICD  
Senior Policy Advisor/Legal Counsel

#### National Education Advisory Committee

Mr Steven Cole FAICD *Chairman*  
Mr Dale Budd OBE FAICD  
Mr Alan Cameron AM FAICD  
Mr Bruce Linn FAICD  
Ms Penny Morris AM FAICD  
Mr Paul Murnane FAICD  
Ms Kate Spargo FAICD  
Ms Judy Vulker FAICD

#### Key:

<sup>^</sup> denotes began during year

\* denotes resigned/retired during or at end of year

~ ex officio members of the committee

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**Financial report for the year ended 30 June 2010**

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## Australian Institute of Company Directors

### Contacts

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