

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE INSTITUTE OF ACTUARIES OF AUSTRALIA**

Scope

We have audited the financial report of the Institute of Actuaries of Australia for the year ended 30 September 2000. The Council Members are responsible for the preparation and presentation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Institute.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Institute's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Institute of Actuaries of Australia is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the Institute's financial position as at 30 September 2000 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



HAINES NORTON
Chartered Accountants



F. GIANNUZZI
Partner

Sydney, 10 November 2000

INSTITUTE OF ACTUARIES OF AUSTRALIA
DECLARATION BY MEMBERS OF COUNCIL
FOR THE YEAR ENDED 30 SEPTEMBER 2000

The members of Council of the Institute declare that:

- (a) the accompanying financial statements and notes thereto give a true and fair view of the financial position of the Institute as at 30 September 2000 and its performance for the year then ended;
- (b) at the date of this declaration, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due; and
- (c) the attached Financial Statements and notes thereto have been made out in accordance with applicable Accounting Standards and are in accordance with the Corporations Law.

This declaration is made in accordance with a resolution of Council and is signed for and on behalf of the members of Council by:



D.M. KNOX
President



A.M. COLEMAN
Senior Vice President

Sydney, 10 November 2000

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
PROFIT AND LOSS STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	Note	2000 \$	1999 \$
Operating surplus (deficit) before income tax	2	(9,733)	62,504
Income tax expense		-	
OPERATING SURPLUS (DEFICIT) AFTER INCOME TAX		(9,733)	62,504
Accumulated funds at the beginning of the financial year	3	2,029,052	1,892,639
Transfers from reserves	12	200,115	21,447
ACCUMULATED FUNDS AT THE END OF THE FINANCIAL YEAR		2,219,434	1,976,590

BALANCE SHEET
AS AT 30 SEPTEMBER 2000

CURRENT ASSETS			
Cash	4	183,624	798,291
Other Receivables	5	133,765	88,910
Investments	6	1,865,094	1,015,892
TOTAL CURRENT ASSETS		2,182,483	1,903,093
NON CURRENT ASSETS			
Investments	7	478,195	590,117
Plant and Equipment	8	123,267	-
TOTAL NON CURRENT ASSETS		601,462	590,117
TOTAL ASSETS		2,783,945	2,493,210
CURRENT LIABILITIES			
Accounts Payable	9	493,431	184,293
Provisions	10	42,647	40,908
TOTAL CURRENT LIABILITIES		536,078	225,201
NON CURRENT LIABILITIES			
Provisions	11	28,433	91,304
TOTAL NON CURRENT LIABILITIES		28,433	91,304
TOTAL LIABILITIES		564,511	316,505
NET ASSETS		2,219,434	2,176,705
MEMBERS' FUNDS			
Accumulated Funds		2,219,434	1,976,590
Reserves	12	-	200,115
TOTAL MEMBERS' FUNDS		2,219,434	2,176,705

Notes to and forming part of the financial statements are included on pages 46 to 52

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	Note	2000 \$	1999 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		2,754,933	2,711,071
Interest Received		145,563	140,449
Payments to suppliers and employees		(2,750,601)	(2,752,130)
Net cash provided by operating activities	16	149,895	99,390
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments		1,069,125	247,845
Payments for investments		(1,780,184)	(717,170)
Purchase of property, plant and equipment		(99,226)	-
Receipts from the UMAF		64,440	172,277
Advances to the UMAF		(18,717)	(218,000)
Net cash used in investing activities		(764,562)	(515,048)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments in reduction of reserves		-	(56,888)
Net cash used in financing activities		-	(56,888)
Net change in cash held		(614,667)	(472,546)
Cash at the beginning of the financial year		798,291	1,270,837
Cash at the end of the financial year	16	183,624	798,291

Notes to and forming part of the financial statements are included on pages 46 to 52

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. General Statement of Accounting Policies Underlying the Financial Statements

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

b. Plant and Equipment

The Institute now capitalises fixed asset purchases. In prior years, all fixed asset purchases were written off against income in the year of acquisition. Fixed assets at the beginning of the year were identified and brought to account at \$52,462, which would have been their written down value had they not been written off in the year of acquisition.

Plant and Equipment are carried at cost, less, where applicable, any accumulated depreciation or amortisation.

The carrying amount of plant and equipment is reviewed annually by Council to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight line basis over the useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	30%
Furniture & Fittings	20%
Leasehold Improvements	23%

c. Income Tax

The Institute has been granted an exemption from paying income tax under the Income Tax Assessment Act and accordingly does not provide for income tax.

d. Leased Assets

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

e. Investments

Investments in unit trusts and listed securities are valued at market value at balance date. The gains or losses, whether realised or unrealised, are included in the operating results. All other investments are shown at cost.

f. Other receivables

Other receivables are recorded at amounts due less any provision for doubtful debts.

g. Accounts Payable

Trade payables and other accounts payable are recognised when the Institute becomes obliged to make future payments resulting from the purchase of goods and services.

h. Employee Entitlements

Provision is made for the Institute's liability for employee entitlements arising from services rendered by employees to balance date. Annual leave is treated as a current liability, and long service leave is treated as a non-current liability.

Contributions are made by the Institute to employee superannuation funds and are charged as expenses when incurred.

i. Goods and Services Tax

Revenue and expenses in respect of the profit and loss statement are recognised net of the the amount of the goods and services tax that is payable to, or refundable from the Australian Taxation Office.

j. Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	2000 \$	1999 \$
2. OPERATING SURPLUS (DEFICIT)		
The operating surplus (deficit) has been determined after:		
(a) Crediting as Income		
Operating Activities		
Convention & seminar income	150,098	473,986
Member subscriptions	1,154,078	1,052,659
Membership exemption fees	247,550	270,405
Tuition fees	715,550	627,261
Other	519,424	370,698
Interest received	177,154	128,839
	<u>2,963,854</u>	<u>2,923,848</u>
(b) Charging as Expense		
Fixed assets written off	-	31,480
Amortisation and Depreciation of assets		
Leasehold improvements	8,944	-
Office equipment	14,833	-
Furniture and fittings	4,644	-
	<u>28,421</u>	<u>-</u>
Movements in provisions		
Leave entitlements (see notes 10 & 11)	(61,132)	19,524
	<u>79,789</u>	<u>71,745</u>
Rental expenses on operating leases		
	<u>79,789</u>	<u>71,745</u>
Remuneration of the auditors		
Auditing the accounts		
This year	11,500	10,000
Prior year audit costs not accrued	-	5,996
Other services		
This year	15,263	5,000
	<u>26,763</u>	<u>20,996</u>
3. ACCUMULATED FUNDS AT THE BEGINNING OF THE FINANCIAL YEAR		
Accumulated funds at the beginning of the financial year	1,976,590	1,892,639
Adjustment to reflect restatement of fixed assets at beginning of the financial year (note 1b)	52,462	-
	<u>2,029,052</u>	<u>1,892,639</u>
4. CASH		
Cash at bank		
Jackson prize fund	6,293	6,071
Melville prize fund	19,210	17,371
Parker prize fund	12,163	12,360
Prescott prize fund	9,502	8,471
Other accounts	135,836	753,118
Cash on Hand	620	900
	<u>183,624</u>	<u>798,291</u>
5. OTHER RECEIVABLES		
Income receivable	71,102	33,965
Loan - Australian Universities Actuarial Foundation (now the University of Melbourne Actuarial Foundation)	-	45,723
Prepayments and deferred expenses	62,663	9,222
	<u>133,765</u>	<u>88,910</u>

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	\$	\$
6. CURRENT INVESTMENTS		
Listed securities at market value	518,095	-
Cash on deposit	1,346,999	1,015,892
	<u>1,865,094</u>	<u>1,015,892</u>
7. NON CURRENT INVESTMENTS		
Investment in unit trust at market value	-	290,117
Mortgage securities at cost	428,195	-
Bank bonds at cost	50,000	50,000
Government stocks and bonds – at cost	-	250,000
	<u>478,195</u>	<u>590,117</u>
8. PROPERTY, PLANT AND EQUIPMENT		
Leasehold Improvements, at Cost	51,820	-
Less: Accumulated Amortisation	8,944	-
	<u>42,876</u>	<u>-</u>
Computer Equipment, at Cost	76,290	-
Less: Accumulated Depreciation	14,833	-
	<u>61,457</u>	<u>-</u>
Furniture and Fittings, at Cost	23,578	-
Less: Accumulated Depreciation	4,644	-
	<u>18,934</u>	<u>-</u>
	<u>123,267</u>	<u>-</u>
9. CURRENT ACCOUNTS PAYABLE		
Unsecured:		
Sundry creditors and accruals	302,426	184,293
Registration fees for conferences and seminars received in advance	191,005	-
	<u>493,431</u>	<u>184,293</u>
10. CURRENT PROVISIONS		
Employee entitlements - annual leave	42,647	40,908
	<u>42,647</u>	<u>40,908</u>
11. NON CURRENT PROVISIONS		
Employee entitlements - long service leave	22,348	21,304
Long service leave provision for actuarial staff at various universities	6,085	70,000
	<u>28,433</u>	<u>91,304</u>

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	\$	\$
12. RESERVES		
Education	-	155,842
Mortality Investigation	-	-
Prize Funds	-	44,273
	-	200,115

The transfer of reserves to accumulated funds was ratified by Council on 3 November 1999 and 1 November 2000.

Movements in reserves

(a) Education

Balance at beginning of year	155,842	282,730
Transfer to accumulated funds	(155,842)	-
Funding payments	-	(56,888)
Provision for long service leave for actuarial staff at various universities	-	(70,000)
Balance at end of year	-	155,842

(b) Mortality Investigation

Balance at beginning of year	-	21,099
Transfer to accumulated funds	-	(21,099)
Balance at end of year	-	-

Transfers represent:

Contributions Received	-	73,500
Transfer of Reserve to Accumulated Funds	-	(12,028)
Expenses Incurred	-	(82,571)
	-	(21,099)

(c) Prize Funds

A M Parker Prize Fund

Balance at beginning of year	12,360	11,981
Transfer to accumulated funds	(12,360)	379
Balance at end of year	-	12,360

Transfers represent:

Transfer of Reserve to Accumulated Funds	(12,163)	-
Supplementation from Melville Prize Fund	1,600	-
Interest received	507	383
Bank charges & certificates	(4)	(4)
Prizes Paid	(2,300)	-
	(12,360)	379

H M Jackson Prize Fund

Balance at beginning of year	6,071	5,734
Transfer to accumulated funds	(6,071)	337
Balance at end of year	-	6,071

Transfers represent:

Transfer of Reserve to Accumulated Funds	(6,293)	-
Donations received	-	200
Interest received	223	139
Bank charges	(1)	(2)
	(6,071)	337

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	2000 \$	1999 \$
12. RESERVES (cont.)		
Andrew Prescott Memorial Fund		
Balance at beginning of year	8,471	10,989
Transfer to accumulated funds	(8,471)	(2,518)
Balance at end of year	-	8,471
Transfers represent:		
Transfer of Reserve to Accumulated Funds	(9,502)	-
Donations received	1,040	1,046
Supplementation from Melville Prize Fund	4,200	-
Interest received	543	420
Prizes paid	(4,700)	(3,980)
Bank charges	(52)	(4)
	(8,471)	(2,518)
The Melville Prize Fund		
Balance at beginning of year	17,371	15,917
Transfer to accumulated funds	(17,371)	1,454
Balance at end of year	-	17,371
Transfers represent:		
Transfer of Reserve to Accumulated Funds	(19,210)	-
Lecture Fees Received	-	5,120
Donations received	13,000	250
Interest received	641	660
Lecture Costs	(6,000)	(4,563)
Bank charges	(2)	(13)
Supplementaion to Other Prize Funds	(5,800)	-
	(17,371)	1,454
Total Prize Funds	-	44,273

13. OPERATING LEASE COMMITMENTS

Lease rental expense and commitments:

Rentals charged to income & expenditure account	79,789	71,745
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Lease commitments:

Not later than one year	77,550	71,300
Later than one year and not later than two years	77,550	71,300
Later than two years and not later than five years	129,250	190,133
Total operating lease commitments	284,350	332,733

14. RELATED PARTY TRANSACTIONS

(a) The Council Members received no remuneration or other benefits.

The names of the Council Members who held office during the financial year are:

C S Bellis	C A Nance	To 06/12/99
C M Brennan	J M Newman	
J B Claridge	B E Rafe	To 15/05/00
A M Coleman	J W De Ravin	From 06/12/99
A P Gale	M J Rice	
D G Hart	F Rowley	From 06/12/99
M S Howes	C W Thorburn	From 06/12/99
D M Knox	D M Torrance	To 06/12/99
C G Lewis	D J Walker	From 06/12/99
H R Martin	C W Yang	From 06/12/99
R S Mitchell		To 06/12/99

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

14. RELATED PARTY TRANSACTIONS (cont.)

- (b) In 2000, the \$45,723 loan to the University of Melbourne Actuarial Foundation (formerly the Australian Universities Actuarial Foundation) had been fully repaid.
- (c) Donations were made during the year to the University of Melbourne Actuarial Foundation for \$73,500, the Macquarie University Actuarial Foundation for \$180,000, and the University of NSW Actuarial Foundation for \$54,100.
- (d) \$6,085 has been accrued in respect of estimated costs of long service leave of staff at various universities. (1999: \$70,000). An amount of \$63,915 has been paid to university staff during the year in respect of long service leave.
- (e) The Institute had a contract with Trowbridge Consulting during the year. This entity has officers who were Council Members of the Institute during the year.
- (f) The Institute awarded J W De Ravin the A M Parker Prize for "The Management of Disability Income Claims"
- (g) There were no other transactions with related parties during the year.

15. FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

(b) Interest Rate Risk

The Institute's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those financial assets and financial liabilities is set out in the following table:

	Weight Average Effective		Floating Interest Rate		Fixed Interest Rate Maturing			
	Interest Rate				Within 1 Year		1 to 5 Years	
	2000	1999	2000	1999	2000	1999	2000	1999
	%	%	\$	\$	\$	\$	\$	\$
Financial assets								
Cash at banks	4.88	3.75	183,624	798,291				
Listed securities	7.65	–	518,095					
Cash on deposit	6.09	4.65			1,346,996	1,015,892	50,000	50,000
Mortgage Funds	6.09	–	428,195					
Govt Bonds	–	10.25				250,000		
Total Financial Asset			1,129,914	798,291	1,346,996	1,265,892	50,000	50,000

Financial Liabilities The Institute has no interest bearing liabilities.

(c) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Institute. The Institute has adopted a policy of only dealing with credit worthy counter parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Institute measures credit risk on a fair value basis.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

15. FINANCIAL INSTRUMENTS (cont.)

(d) Net Fair Values

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Institute approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

The Council Members are of the opinion that the net fair values of financial assets and liabilities at balance date are equivalent to their carrying amounts as recorded above.

16. CASH FLOW INFORMATION

	2000	1999
	\$	\$

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash	183,624	798,291
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(b) Reconciliation of Cash Flow from Operations to Operating Surplus (Deficit)

Operating surplus (deficit)	(9,733)	62,504
Non-Cash Flows in Operating Profit		
Depreciation and amortisation	28,421	-
Changes in Assets and Liabilities		
Decrease/(increase) in debtors/prepayments	(90,578)	(1,644)
Increase/(decrease) in sundry creditors	309,138	9,123
Decrease/(increase) in market value of investments	(26,221)	9,883
Increase/(decrease) in provisions		
Annual leave	1,739	1,990
Long service leave	(62,871)	17,534
Net cash provided by operating activities	149,895	99,390

17. MEMBERS GUARANTEE

The Institute is a company limited by guarantee and holds a licence under the Corporations Law which allows it to exclude the word "Limited" from its name.

Each member of the Institute guarantees its liabilities to the extent of \$20. The number of members at year end was 2,356.

18. SEGMENT INFORMATION

The Institute operates in Australia to provide members of the actuarial profession with education and other services.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
DISCLAIMER

The additional financial data presented on page 54 to page 56 is in accordance with the books and records of the Institute which have been subjected to the auditing procedures applied in our statutory audit of the Institute of Actuaries of Australia for the year ended 30 September 2000

It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our Firm policy, we advise that neither the Firm nor any members or employee of the Firm undertakes responsibility in any way whatsoever to any person (other than the Institute of Actuaries of Australia) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.



HAINES NORTON
Chartered Accountants



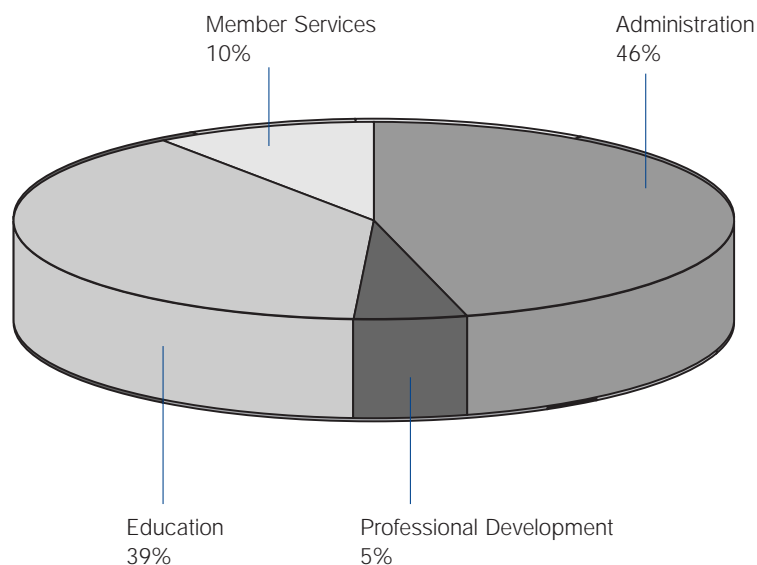
F. GIANNUZZI
Partner

Sydney 10 November 2000

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
PRIVATE INFORMATION FOR THE MEMBERS
PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	2000 \$	1999 \$
INCOME		
Administration		
Interest and Investment Earnings	175,239	127,237
Members' Subscriptions	1,154,078	1,052,659
Entrance Fees	26,220	34,925
Other Income	632	3,843
	<u>1,356,169</u>	<u>1,218,664</u>
Professional Development		
Sales of Publications	3,609	7,361
Seminar Income	150,098	184,277
Convention Registrations	-	289,709
	<u>153,707</u>	<u>481,347</u>
Education		
ActEd Royalties	19,922	17,876
Tuition Fees (UK)	172,833	212,342
Professionalism Course	78,155	61,570
Sale of Course Material	98,814	61,404
Tuition Fees (Australia)	542,717	414,919
Exemption Fees	247,550	270,405
	<u>1,159,991</u>	<u>1,038,516</u>
Member Services		
Actuary Australia Advertising	11,015	9,301
Job Advertisements	116,740	69,000
Melville Lecture Income	19,936	-
Functions	15,080	16,527
Prize Funds Interest	1,915	1,602
Prize Funds Donations	14,040	6,616
Experience Studies Investigations	109,245	73,995
Subscription to IAA/ASTIN/AFIR	6,016	8,280
	<u>293,987</u>	<u>185,321</u>
TOTAL INCOME	<u>2,963,854</u>	<u>2,923,848</u>

2000 INCOME BY MAJOR SEGMENT



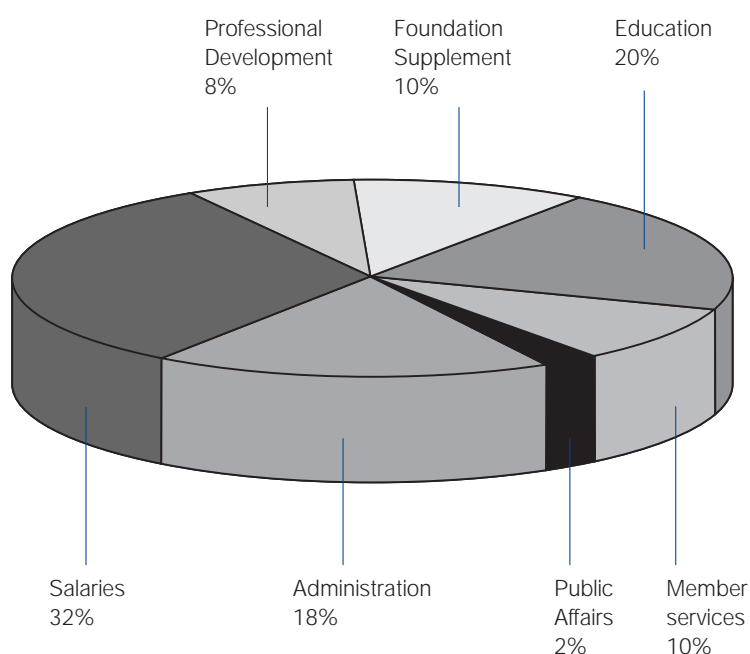
THE INSTITUTE OF ACTUARIES OF AUSTRALIA
PRIVATE INFORMATION FOR THE MEMBERS
PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	2000 \$	1999 \$
LESS EXPENDITURE		
Administration		
Auditors Remuneration	26,763	20,996
Legal Fees	27,258	14,846
General Expenses	10,131	33,855
Staff Amenities & Travel	34,975	57,963
Insurances	10,650	11,249
Financial Expenses	41,132	32,221
Premises Expenses	95,616	83,429
Depreciation & Amortisation Expense	28,421	-
Computer/Telecommunications	138,862	111,696
Stationery, Subs & Couriers	57,615	84,566
Printing & Distribution	49,137	139,566
Council Expenses	26,184	35,615
	546,744	626,002
Salaries		
Wages & Salaries	762,743	691,341
Superannuation	86,075	73,916
On Costs	17,880	16,348
Fringe Benefits Tax	23,824	(842)
Recruitment expenses	44,751	38,237
	935,273	819,000
Professional Development		
Sessional & ETDG Meetings	43,775	86,093
Seminar expenses	122,140	161,947
Conventions	10,581	282,296
AAJ Expenses	47,268	45,511
Research Grants	15,000	671
	238,764	576,518
Foundation Supplement		
University of Melbourne Actuarial Foundation	73,500	-
Macquarie University Actuarial Foundation	180,000	-
University of NSW Actuarial Foundation	54,100	-
	307,600	-
Education		
Course Expenses	21,263	22,958
Course Materials	211,442	118,022
Australian Exams Expenses	49,080	58,186
Professionalism Course	82,831	55,838
UK Exams Transfer of Fees	168,719	188,012
Tutor Honorarium & expenses	39,140	40,255
University Exemptions	-	2,200
University Prizes & Scholarships	2,500	-
	574,975	485,471

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
PRIVATE INFORMATION FOR THE MEMBERS
PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	\$	\$
Member Services		
Functions & Resources	66,495	50,005
Actuary Australia	65,355	75,118
Circulars and Publications to Members	106,370	47,292
Prizes Paid	7,059	3,980
Research & Reports	28,336	13,106
International Actuarial Associations	24,712	34,189
Committees	4,227	11,678
	302,554	235,368
Public Affairs		
Functions	2,235	-
Consultant's Fees	44,250	63,511
Promotional Materials	6,010	-
Other Expenses	1,786	-
Subscriptions	4,762	-
Travel	4,874	55,474
Industry Representation	2,260	-
Training	1,500	-
	67,677	118,985
TOTAL EXPENSES	2,973,587	2,861,344
SURPLUS (DEFICIT) REPORTED	(9,733)	62,504

2000 EXPENSES BY MAJOR SEGMENT



**INDEPENDENT AUDIT REPORT TO THE TRUSTEES OF
THE UNIVERSITY OF MELBOURNE ACTUARIAL FOUNDATION**

Scope

We have audited the financial report of the University of Melbourne Actuarial Foundation for the year ended 30 September 2000. The Trustees are responsible for the preparation and presentation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the trustees.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Foundation's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with Australian Accounting Standards and other professional reporting requirements the financial position of the Foundation as at 30 September 2000, and the results of its operations and its cash flows for the year then ended.



HAINES NORTON
Chartered Accountants



F. GIANNUZZI
Partner

Sydney, 10 November 2000

THE UNIVERSITY OF MELBOURNE ACTUARIAL FOUNDATION
STATEMENT BY THE TRUSTEES

The Trustee's declare that:

- (a) the financial statements and notes thereto present fairly the Foundation's financial position as at 30 September 2000 and its performance for year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) in the Trustee's opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due

Signed on behalf of the Trustees:

A handwritten signature in black ink, appearing to read 'G.E. Rogers', written in a cursive style.

G.E. ROGERS

A handwritten signature in black ink, appearing to read 'W.E. Walker', written in a cursive style.

W.E. WALKER

Melbourne, 9 November 2000

UNIVERSITY OF MELBOURNE ACTUARIAL FOUNDATION
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	\$	\$
INCOME		
Donations	73,500	56,888
Interest	919	37
Earnings from Investments	(179)	18,861
Profit on Disposal of Investments	-	19,665
Unrealised Gain on Investments	-	44,027
	<u>74,240</u>	<u>139,478</u>
LESS EXPENDITURE		
Audit fees & Accounting	-	3,500
Loss on Disposal of Investments	2,115	-
Bank Charges	143	405
	<u>2,258</u>	<u>3,905</u>
Operating surplus	<u>71,982</u>	<u>135,573</u>

BALANCE SHEET
AS AT 30 SEPTEMBER 2000

	Note	2000	1999
		\$	\$
TRUST FUNDS			
Balance at beginning of the year		114,678	253,643
Surplus		71,982	135,573
Less:			
Distributions		(161,788)	(274,538)
		<u>24,872</u>	<u>114,678</u>
REPRESENTED BY:			
Cash at Bank		24,872	171
Income Receivable		-	2,705
Investments	2	-	160,025
Audit Fee Accrual		-	(2,500)
Loan from the IAAust		-	(45,723)
NET ASSETS		<u>24,872</u>	<u>114,678</u>

Notes to and forming part of the financial statements are set out on page 61

UNIVERSITY OF MELBOURNE ACTUARIAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	\$	\$
Cash Flow from Operating Activities		
Donations	73,500	56,888
Interest received	919	37
Income from investments	2,526	21,056
Payments to suppliers	(2,643)	(5,405)
Net cash from operating activities (a)	74,302	72,576
Cash Flow from Investing Activities		
Proceeds from disposal of investments	157,910	158,760
Purchase of investments	-	(8,998)
Net cash inflows from investing activities	157,910	149,762
Cash Flow from Financing Activities		
Receipts from the IAAust	18,717	218,000
Repayments to the IAAust	(64,440)	(172,277)
Payments to beneficiaries	(161,788)	(274,538)
	(207,511)	(228,815)
Net Change in Cash	24,701	(6,477)
Opening balance	171	6,648
Net closing balance (b)	24,872	171
a. Reconciliation of net cash provided by operating activities to operating surplus		
Operating surplus	71,982	135,573
Increase/(decrease) in accruals	(2,500)	(1,500)
Decrease/(increase) in income receivable	2,705	2,195
Profits on sale of investments	2,115	(19,665)
Unrealised gains on investments	-	(44,027)
Cash Flows from Operation	74,302	72,576
b. Reconciliation of cash		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks and net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
National Australia Bank	24,872	171

UNIVERSITY OF MELBOURNE ACTUARIAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES

- (a) The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.
- (b) The Foundation has been granted an exemption from paying income tax under the Income Tax Assessment Act and accordingly does not provide for income tax.
- (c) Investments in listed trusts are valued at market value at each balance date. The gains or losses, whether realised or unrealised, are shown as part of the operating surplus.
- (d) The University of Melbourne Actuarial Foundation was previously known as the Australian Universities Actuarial Foundation, having changed its name during the year.

2. INVESTMENTS

	2000 \$	1999 \$
NM Property Trust at Market Value	-	123,451
ANZ Mortgage Trust	-	36,574
	-	160,025

3. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Foundation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those financial assets and financial liabilities is set out in the following table:

	Weight Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2000		2000		Within 1 Year		1 to 5 Years	
	%	%	\$	\$	2000	1999	2000	1999
Financial assets								
Cash at banks	3.49	0.00	24,872	171				
Mortgage Trust	-	5.39	-	36,574				
Total Financial Asset			24,872	36,745				

Financial Liabilities The Foundation has no interest bearing liabilities.

(b) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Foundation. The Foundation has adopted a policy of only dealing with credit worthy counter parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Foundation measures credit risk on a fair value basis.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

(c) Net Fair Values

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Foundation approximate their carrying value.

4. RELATED PARTIES

(a) A loan of \$45,723 from the Institute of Actuaries of Australia was repaid during the year. \$73,500 (1999 \$56,888) was received in donations from the Institute. The Institute acts as nominee holder of Foundation investments.

(b) Trustees of the Foundation at the date of this report are:

G E Rogers
R S Mitchell
M H Fry
W E Walker
R Williams

**INDEPENDENT AUDIT REPORT TO THE TRUSTEES OF
THE UNIVERSITY OF NEW SOUTH WALES ACTUARIAL FOUNDATION**

Scope

We have audited the financial report of the University of New South Wales Actuarial Foundation for the year ended 30 September 2000. The Trustee's are responsible for the preparation and presentation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the trustees.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Foundation's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with Australian Accounting Standards and other professional reporting requirements the financial position of the Foundation as at 30 September 2000, and the results of its operations and its cash flows for the year then ended.



HAINES NORTON
Chartered Accountants



F. GIANNUZZI
Partner

Sydney, 10 November 2000

UNIVERSITY OF NEW SOUTH WALES ACTUARIAL FOUNDATION
STATEMENT BY THE TRUSTEES

The Trustee's declare that:

- (a) the financial statements and notes thereto present fairly the Foundation's financial position as at 30 September 2000 and it's performance for year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) in the Trustee's opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due

Signed on behalf of the Trustees:



C.G. LEWIS



J.M. NEWMAN

Sydney, 10 November 2000

UNIVERSITY OF NEW SOUTH WALES ACTUARIAL FOUNDATION
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	\$	\$
INCOME		
Donations	54,100	-
	54,100	-
LESS EXPENDITURE		
Bank Charges	51	-
	51	-
Operating surplus	54,049	-

BALANCE SHEET
AS AT 30 SEPTEMBER 2000

	Note	2000	1999
		\$	\$
TRUST FUNDS			
Balance at beginning of the year		-	-
Surplus		54,049	-
Less:			
Distributions		(54,000)	-
		49	-
REPRESENTED BY:			
Cash at Bank		49	-
NET ASSETS		49	-

Notes to and forming part of the financial statements are set out on page 66

UNIVERSITY OF NEW SOUTH WALES ACTUARIAL FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2000

	2000 \$	1999 \$
Cash Flow from Operating Activities		
Donations	54,100	-
Payments to suppliers	(51)	-
Net cash from operating activities (a)	54,049	-
Cash Flow from Investing Activities		
Proceeds from disposal of investments	-	-
Purchase of investments	-	-
Net cash inflows from investing activities	-	-
Cash Flow from Financing Activities		
Payments to beneficiaries	(54,000)	-
	(54,000)	-
Net Change in Cash	49	-
Opening balance	-	-
Net closing balance (b)	49	-
a. Reconciliation of net cash provided by operating activities to operating surplus		
Operating surplus	54,049	-
Cash Flows from Operation	54,049	-
b. Reconciliation of cash		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks and net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
National Australia Bank	49	-

UNIVERSITY OF NEW SOUTH WALES ACTUARIAL FOUNDATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES

- (a) The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.
- (b) The Foundation has been granted an exemption from paying income tax under the Income Tax Assessment Act and accordingly does not provide for income tax.
- (c) There are no comparatives as the entity was established during the current financial year.

2. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Foundation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Foundation had no interest bearing assets or liabilities at balance date.

(b) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Foundation. The Foundation has adopted a policy of only dealing with credit worthy counter parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Foundation measures credit risk on a fair value basis. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

(c) Net Fair Values

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Foundation approximate their carrying value.

3. RELATED PARTIES

- (a) \$54,100 was received in donations from the Institute. The Institute acts as nominee holder of Foundation investments.
- (b) Trustees of the Foundation at the date of the report are:
 - C G Lewis
 - C R Latham
 - J M Newman
 - M D Barker
 - R Layton

MACQUARIE UNIVERSITY ACTUARIAL FOUNDATION
THIRTEENTH ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 1999

Board

The members of the Board of the Foundation during 1999 were as follows:

Appointed by The Institute of Actuaries of Australia

Mr R J Atfield FIA, FIAA (Chair)

Mr R G Glading BSc, FIA, FIAA

Mrs C M Prime, BSc, DipLaw, FIA, FIAA, ASA

Mr B C A Welland FIA, FIAA

Appointed by the University Council

Dr M G Irving AM, BCom, HonDLitt, FAICD, FCPA, FSIA

Professor J H Pollard, BSc, PhD, FIA, FIAA, FSS, FASSA

Mr Michael J Webster, M Com, FCPA

Four Board Meetings were held during the year (9 February 1999, 6 May 1999, 13 August 1999, 9 November 1999).

Income and expenditure

An income and expenditure statement for the year and a comparison with the previous year is set out in Attachment A. The Foundation gratefully acknowledges contributions totalling \$235,000 from The Institute of Actuaries of Australia, of which \$65,000 was deposited after 1 January 2000 and does not therefore appear in the income and expenditure statement. The Department of Actuarial Studies also contributed \$61,781 from monies generated as a result of Departmental involvement in Association of Superannuation Funds of Australia teaching and examination. The relatively small interest income (\$1,049) reflects both the comparatively small balance held in the Foundation account and the low interest rates prevailing during the year. Comments on the main expenditure items are made below.

Members

There were no additions to the list of Members, and the number of companies, firms and individuals who have qualified for Membership of the Foundation remains at 126.

Activities

The major expenditure commitment of the Foundation was in respect of market related salary loadings paid to actuarial staff members.

The Foundation Board also performed an important role in providing advice to Professor Pollard and the Actuarial Studies Department. Meetings with the actuarial staff took place in conjunction with the Board Meetings on 9 February 1999 and 9 November 1999.

Developments during 1999

The first four AMP-Macquarie University China Fellows were welcomed to the Department of Actuarial Studies during 1999: Professor Zhou Liji (Renmin University), Professor Zhu Wenge (SUFE), Professor Shen Weixi (Fudan University) and Professor Li Xiufang (Nankai University). Each of the visitors gave seminars at Macquarie University and also to the Institute of Actuaries of Australia. Opportunities for ongoing collaboration have been noted and are being fostered. It is anticipated that there will be two or three Fellows visiting in 2000 for about six weeks from the end of July.

The Department made a successful tender to be the preferred provider of distance "Control cycle" teaching for the Institute of Actuaries of Australia in competition with the existing provider (the University of Melbourne). The Macquarie units will be Web-based.

The second edition of "Introductory Statistics with Applications in General insurance" by I B Hossack, J H Pollard and B Zehnwrith appeared during the year, and Cambridge University Press announced that there will also be a Spanish edition. The book already appears in Japanese and Chinese.

Acknowledgments

The Board wishes to acknowledge its sincere appreciation of the work of Professor Pollard who acted as Executive Officer of the Foundation, Ms Clare Bellis, who was Acting Executive Officer during Professor Pollard's absence on long service leave, Mr Gary Grocott (Manager of The School of Economic and Financial Studies) and the related University administrative staff who contributed to a most successful year of operation for the Foundation.

R J ATFIELD
Chair

MACQUARIE UNIVERSITY ACTUARIAL FOUNDATION
STATEMENT OF PROFIT AND LOSS
1 JANUARY 1999 to 31 DECEMBER 1999

	1999 \$	1998 \$
Balance Brought Forward	30,568	136,680
Income Received		
Contributions	170,000	120,000
Interest	1,049	3,308
25% ASFA Fees 1998		23,380
25% ASFA Fees 1999	23,590	
Additional Contribution from ASFA to cover shortfall 1999	38,191	
	<u>263,398</u>	<u>283,368</u>
Expenditure		
Personnel		
- Academic Salaries	241,520	231,927
- Salary on Costs	21,737	20,873
- Non Salary Expenses	141	
	<u>263,398</u>	<u>252,800</u>
Balance Carried Forward	0	30,568

I certify that the expenditure itemised above has been incurred solely for the purpose of this project.

I also certify that salary rates paid to persons employed on this project accord with the rates applicable to persons of similar status and responsibility employed by the university.



DENISE OSMAND FCPA
 Chief Finance Officer and Deputy Director

THE INSTITUTE OF ACTUARIES OF AUSTRALIA

COUNCIL MEMBERS

David M Knox	President
A M (Tony) Coleman	Senior Vice President
Helen R Martin	Vice President
Clare S Bellis	
Cherry M Brennan	
John W De Ravin	
Andrew P Gale	
David G Hart	
Melinda S Howes	
Chris G Lewis	
John M Newman	
Michael J Rice	
Fred Rowley	
Craig W Thorburn	
Donna J Walker	
C W (Andy) Yang	
Richard S Mitchell	Immediate Past President

SECRETARY & TREASURER

Catherine A Beall

SECRETARIAT

Catherine Beall	Chief Operating Officer
Jane Ferguson	Director, Public Affairs
Jac Smit	Education Co-ordinator
Chris Hundleby	Events Co-ordinator
Samantha Bonthorne	Membership Co-ordinator
Jan Heath	Education Officer
Marianne Bryant	Finance Officer
Madeleine Welsh	Executive Secretary
Patricia Melville	Publications Officer
Geraldine Monaghan	Information Systems Co-ordinator
Mim Wood	Receptionist
Clare Zuber	Administrative Assistant
Kathy Cornish	Administrative Assistant (Melbourne) from July 2000
Helen Taylor	Office Manager (Melbourne) to July 2000
Jennifer Wildgoose	Mortality Investigation Project (Macquarie Uni)
Deanna Lane	Marketing Consultant

THE INSTITUTE OF ACTUARIES OF AUSTRALIA

REPRESENTATIVES

Adelaide	Allan R Archer
Brisbane	Trevor B Jack
Canberra	Kevin E Deeves
Hobart	Brian E Bendzulla
Melbourne	Janice Frazer
Perth	Dermot G Balson
Sydney	Michael J Aa
Wellington	Fran Jenkins
Hong Kong	Steven Hui

OVERSEAS AMBASSADORS

South Africa	Jim E Thompson
Canada	Trevor J Matthews
Hong Kong	Ken Wong
Korea	L J (Gus) McMullen
Japan	Jenni S Sparks
Malaysia	Foong Sia Cheong
Poland	Zbigniew J T Andrzejewski
Singapore	Rudy T-W Chan
Thailand	Alan S Fieldus
UK	Phil J Twyman
USA	Rodney R Lester

OVERSEAS REPRESENTATIVES

China	John H Pollard
Indonesia	Henry Then
India	Minoo R Batliwalla
Russia	Kirsten L Armstrong
Taiwan	David B Waples

REPRESENTATION

Australian Accounting Standards Board	Graham W Slater
Australian Council of Professions	Catherine A Beall
Australia Financial Services Training Alliance (AFSTA)	Catherine A Beall
International Actuarial Association (IAA)	Richard S Mitchell, David M Knox
IAA Correspondent	Catherine A Beall
IAA Liaison	Jane C Ferguson
Macquarie University Actuarial Foundation	Rod J Atfield (Chairman), Robert G Glading, Catherine M Prime, Barry C A Welland
University of Melbourne Actuarial Foundation	Graham E Rogers (Chairman), Martin H Fry, Richard S Mitchell, Wayne E Walker, Ross Williams, Catherine A Beall (Secretary)
University of NSW Actuarial Foundation	Chris G Lewis (Chairman), Michael D Barker, Chris R J Latham, Roger Layton, John M Newman, Catherine A Beall (Secretary)

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