

**THE INSTITUTE OF ACTUARIES OF AUSTRALIA
FINANCIAL REPORT
& DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2010



Institute of Actuaries of Australia



Institute of Actuaries of Australia

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THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010

Council submits herewith its report on the Institute for the year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the Council reports as follows:

The Institute is a public company limited by guarantee and is licensed under s150 of the Corporations Act 2001 (Cth) to be incorporated without the word 'Limited' in its name. Council constitutes the Board of Directors of the Institute.

Overview of result for the twelve months to 31 December 2010

Operating surplus for the year was \$728,135, considerably greater than the \$175,268 surplus for the fifteen month period ended 31 December 2009.

Investment and Other revenues, which is primarily investment and interest income, were much higher in 2010 as a result of rises in interest rates, stronger cash flows and tighter cash management. Whilst Education revenues were higher in 2010 (especially due to additional Professionalism courses) the associated Education expenses were fairly steady. It should be noted that both the 2010 year and the prior period comprise the equivalent two Semesters. Knowledge revenues reduced in the 2010 year but costs were much lower, which contributed to the greater surplus in 2010. Whilst Events revenues were much lower in 2010, because there were only two major events versus four in the prior period, the contribution to the surpluses was very similar at about 39% gross margin (revenue less direct costs). Increased membership numbers together with an increase in fees also contributed to the higher surplus.

The most significant factors, however, are those of Administration and Employment expenses which are relatively constant month on month. Whilst much of the income for both 2009 and 2010 is relatively constant, such as Education and Events contribution, 2009 prior period carried 25% or three months of additional salary and overhead costs over that of 2010. Furthermore, some rationalisation of Secretariat positions during 2010 resulted in some Employment cost savings.

No matter or circumstance has arisen since the end of the financial year 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 financial year subsequent to 31 December 2010.

The Members of Council believe that there are no likely developments in the operations of the Institute and the expected results of those operations in the financial years subsequent to 31 December 2010 which need to be brought to members' attention.

The Institute's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Council Members receive no remuneration or other benefits. No Member of Council, since the end of the previous financial year, has received or become entitled to receive a benefit by reason of a contract made by the Institute with that Member or with a firm of which s/he is a member or with a company in which s/he has a substantial financial interest for services rendered in connection with the activities of the Institute, except as disclosed in Note 10 to the Financial Statements on page 19.

During the financial year, the Institute paid a premium of \$8,506 (2009 \$9,897) in respect of a contract insuring the Office Bearers (as defined including any past, present or future Director, Secretary, Officer, Trustee, Committee member or employee of the Institute or any other natural person acting on behalf of the Institute at the direction of an Officer or Board of Directors or Committee of Management of the Institute) against a liability incurred as such Office Bearer to the extent permitted by law.

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

No person has applied for leave of court to bring proceedings on behalf of the Institute or intervene in any proceedings in which the Institute is a party for the purposes of taking responsibility on behalf of the Institute for all or any part of those proceedings.

The Institute was not a party to any such proceedings during the year.

The names of each person who has been a director during the financial year and to the date of this report (directors are listed in alphabetical order) along with details of the qualifications, experience and special responsibilities of each director are:

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

Anthony James Carey BEc M Mgt FIAA

Service during entire term on Council: Council Member, Member of Education Council Committee, Member of Submissions and Public Policy Council Committee.

Anthony currently heads up the Actuarial Control function for MLC, the wealth management division of the National Australia Bank.

Over the past 20 years in the financial services industry, Anthony has held various senior roles in actuarial, product development, business management, strategy and consulting. Prior to joining MLC, Anthony worked for a number of years at MBF Australia in several roles including General Manager New Customer Solutions, General Manager Actuarial Services, and Appointed Actuary for MBF Life Ltd and Head of Strategy for MBF's financial services businesses (MBF Life and ClearView Retirement Solutions).

He has previously worked at Tower Australia as National Manager Product Strategy, the Commonwealth Bank (both as Deputy Chief Actuary and Executive Manager Personal Life Insurance Products), in consulting at Tillinghast Towers-Perrin and in various roles at Prudential Australia.

Anthony has been actively involved in the actuarial education process, including membership of the Institute's Education Council Committee. He has previously been Chief Examiner for the Part III Life Insurance 2B course and External Examiner for the Part II Exams at Macquarie University and the University of New South Wales.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Richard Mort Fitzherbert BSc FIA FIAA FFin

Service during entire term on Council: Council Member.

Richard is an Honorary Senior Fellow/Senior lecturer at The University of Melbourne since 2000 and Appointed Actuary, The Individual Life Insurance Company Ltd (London 1973-1974); Appointed Actuary, East Yarra Friendly Society Ltd (1982-2002); and author of "Investment Principles for Actuaries" (2004 and 2008) and "BluePrint for Investment" (1993 and 1998). Richard has previously been a member of Council from 1994-1997.

Period of service on Council during financial year:

01.01.10 – 07.12.10

David Millington Goodsall BA FIAA ASA CERA

Service during entire term on Council: Vice President, Council Member, Member of Executive Council Committee, Member of Audit and Risk Council Committee, Member of International Council Committee.

David is a Director of ClearView Wealth Ltd and is the Founder and Director of Synge and Noble Pty Ltd, providing professional advice to financial services companies. He also advises on regulatory issues, as well as provides executive coaching for actuaries and technical professionals who deal with the C suite and boards in their organisations.

Prior to this, David was a Partner in the Sydney Financial Services Practice of Ernst & Young, having joined EY in 1990. He has worked in the financial services industry for over 30 years and has extensive experience in the financial and risk management aspects of a wide range of financial service companies. He has been closely involved in a number of public floats, demutualisations, corporate restructures and transfers of business, as well as holding a number of appointed actuary roles.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

Julian deGruchy Gribble FIAA FSA FCIA CERA

Service during entire term on Council: Council Member.

Jules has actively supported Institute activities and professional education for over 20 years - organising Conventions, being a Chief Examiner (Life), teaching Part II since 2000, representing the Institute on the International Actuarial Association, leading development of the new GRIS Part III subjects, and contributing to ERM education and Wealth Management sub-committees of the Life Insurance and Wealth Management Practice Committee.

Currently Director of Enterprise Metrics, Jules has previously been a Partner at Ernst & Young (2008-2010); Director, Askit Consulting (2000-2008); Director, John Ford & Associates (1997-2000); and a Consultant with Tillinghast – Towers Perrin (1993-1997).

Period of service on Council during financial year:

14.10.10 – 19.10.10

Bozenna Hinton BEc FIAA

Service during entire term on Council: President, Council Member, Member of Executive Council Committee, Convenor of the Education Council Committee.

Most recently, Bozenna has been working as a Consultant to a range of entities, including Munich Reinsurance Australia, the Commonwealth Bank and Reinsurance Group of America. Bozenna has over 15 years' experience in the financial services industry. She has also previously worked for Trowbridge Consulting, and Munich Reinsurance in both Australia and the UK.

While working at Trowbridge, Bozenna was involved in establishing the Energy Practice and completed a number of risk management assignments for electricity retailers, generators and industry bodies.

Bozenna was a member of the Board of Examiners from 2003 to 2006, serving as Convenor in 2005 and 2006. Bozenna was also a member of the International Relations Committee from 1996 to 2002 and has been a member of the Life Insurance Course Review team. In 2008 Bozenna chaired the Member Services and Educator Taskforce and in 2009 she chaired the Education Council Committee. Bozenna has been the Australian representative on the International Actuarial Association Education Committee, Social Security Committee and Pensions and Employee Benefits Committee from 2008 - 2010, and a representative on the Accreditation Committee in 2008.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Christopher Robert John Latham BSc (Hons) FIA FIAA

Service during entire term on Council: Council Member, Convenor of Research Council Committee.

Chris has worked in general insurance and accident compensation since 1980, after starting his career in superannuation and pensions. He admits that the transition to general insurance was a bit of a struggle as he tried to accept the replacement of the deterministic view of life with a stochastic one.

He was fortunate enough to work with Greg Taylor for some 13 years at various consultancies, and has been with PricewaterhouseCoopers since 1989. He has provided advice to major insurers, reinsurers and accident compensation schemes. At some stage or another he has advised accident compensation schemes in almost all Australian jurisdictions, as well as in New Zealand, PNG and South Africa.

In 1992/93 he spent a year in London trying to understand the reinsurance market and its peculiar jargon, becoming involved in many post-Hurricane Andrew insurer collapses. He also tried to introduce his colleagues to modelling techniques beyond chain-ladder and Bornheutter-Ferguson, and to the logic of a present value approach to reserving.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

John Michael Newman BBusSc (Hons) FIAA

Service during entire term on Council: Council Member, Member of HR & Remuneration Council Committee, Member of Public Policy Council Committee, Member of International Council Committee.

John is a Director and Principal of Professional Financial Solutions (PFS). He started his actuarial career with E S Knight & Co, which was acquired by Mercer in 1985. He became a worldwide partner and was the head of the Retirement practice in Australia and New Zealand until 2004 when he left and joined PFS.

John has extensive experience in superannuation and benefits, having consulted to a wide range of stakeholders in this area throughout his career and been involved in the establishment of a major commercial Master Trust. He advises on strategic and operational issues in the financial services industry, specialising in superannuation and insurance, and has a particular focus on risk management and governance matters.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Blair Milton Nicholls BEc FIA FIAA AMP INSEAD

Service during entire term on Council: Council Member, Convenor of HR & Remuneration Council Committee, Member of International Council Committee, Member of Nominations Council Committee.

Blair is the Chief Actuarial Officer for the QBE Group. He is part of QBE's Group Executive and is involved in areas such as business planning, reserving and pricing, catastrophe aggregate accumulations, reinsurance management and purchasing, commutations, investor relations, acquisitions and Economic Capital Modelling.

Blair has been with QBE for around 16 years and has undertaken a variety of roles. These include spending 2004 to 2007 in QBE's London office as the Chief Actuary for QBE's European Operations and seven years in QBE's Australian operations. Prior to working at QBE, Blair was at a consulting firm. He has developed knowledge of QBE's worldwide operations and the general insurance markets around the world.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Michael Jesse O'Neill BActS (Hons)/LLB FIAA

Service during entire term on Council: Council Member, Member of Research Council Committee.

Michael is an equities manager specialising in financial sector companies including Insurance and Banks, along with companies in the Information Technology and Media sectors. He joined Investors Mutual in 2010 and was previously with Cannae Capital Partners 2008-2009. Prior to this Michael was Actuary, AGA, Commonwealth Treasury 2005-2008.

Michael has served the institute as Member of Research Council Committee (2008-2011); Member of the Life Insurance and Wealth Management Sub-Committee (2008-2011); Convenor of Research Prizes and Scholarships Judging Panels (2009-2011); Member of International CERA Review Panel (2010); development of new Part III Investments bridging course (2010); Institute submission to Inquiry into Financial Products and Services - Parliamentary Joint Committee on Corporations and Financial Services (2009); Convenor of the Member Value Proposition Project as part of the MSE Taskforce (2009); Examiner – CAP – Investments papers (2008); Member of Investments Round-table discussing the future of the Investments module (2007); Actuary Unearthed February 2009.

Michael has also published a number of research papers and reports.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

Barry Edwin Rafe BSc FIAA Dip Arts Phil (Hon 1st class)

Service during entire term on Council: Senior Vice President, Council Member, Member of Executive Council Committee, Convenor of Nominations Council Committee, Convenor of Public Policy Council Committee.

Barry's professional background lies in the financial services industry. He currently consults within that sector and was Chief Executive Officer of Mellon Australia from 2003-2005. Prior to that, Barry was also in consulting practice, being a Partner (Financial Services Strategy) of Accenture (2000-2003) and Head of Financial Services at Trowbridge Consulting from 1995 to 2000.

Barry returned to studying in 2008 and has completed his Dip Arts Phil (Hon 1st class) and is currently working on his PhD in Philosophy. He has been a very active volunteer for the Institute, particularly through serving on Council during 1998-1999, on various Convention organising committees and facilitating a number of Professionalism Courses.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Lindsay Raymond Smartt BA FIAA FNZSA ASA

Service during entire term on Council: Council Member, Convenor of Audit and Risk Council Committee.

Lindsay has over 30 years experience in the financial services industry. Lindsay graduated from Macquarie University in 1979 with a Bachelor of Arts degree, majoring in actuarial studies. He became a Fellow of the Institute of Actuaries of Australia in 1983. He is also a Fellow of the New Zealand Society of Actuaries, a Fellow of the Actuarial Society of Hong Kong, an Associate of the Society of Actuaries (USA) and an Affiliate of the Institute of Actuaries (UK).

Lindsay is currently the Convenor of the Audit and Risk Council Committee and a member of the Life Insurance and Wealth Management Practice Committee. He has been actively involved in the profession during his career.

Lindsay is currently employed by Munich Re as their Appointed Actuary for Life business in Australia and New Zealand, having joined in 2008. Previously Lindsay has worked in life insurance, reinsurance and wealth management across the Asia Pacific region including a spell successfully operating his own consultancy.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Daniel Anthony Smith BSc FIAA

Service during entire term on Council: Council Member, Member of Audit and Risk Council Committee.

Daniel has been a consultant in general insurance since 1991 and is a Director of Taylor Fry (a consulting firm offering actuarial, financial modelling and statistical advice to business and government). He has been involved in a wide range of projects for general insurance companies, accident compensation schemes and government departments and is currently Appointed Actuary to three insurance companies.

Daniel is a member of the Audit and Risk Council Committee and the Council representative on the General Insurance Practice Committee. While on Council he has served on the Designations Taskforce and the Member Services & Educator Implementation Groups.

Period of service on Council during financial year:

01.01.10 – 31.12.10

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

Gloria Siu Yan Yu BCom, FIAA, LRSM, LMusA, ATCL

Service during entire term on Council: Council Member, Member of Audit and Risk Council Committee, Member of Public Policy Council Committee.

Gloria has been working in the general insurance industry since 2001 and is currently Manager in the General Insurance Actuarial Department in Westpac. Prior to this, she worked in a number of consultancies. She has also worked briefly in life insurance in a global financial services company.

Over the past few years, she has assisted in the Institute's education program in various capacities. More recently, she has been working with Practice Committees in developing strategic and operational plans for enterprise risk management within the actuarial profession in Australia.

In 2002 she was awarded the Goldman Sachs Global Leaders Award where she was selected as one of the 100 Goldman Sachs Global Leaders in the world and one of the eight representing Australia. In 2009, she was selected to participate in the Institute's Step Up Leadership Program and the BT Financial Group Developing Future Leaders Program.

Besides being an FIAA, she is also one of the youngest persons in Australia awarded with the Licentiate Diploma in Music Australia (LMusA), specialising in piano performance, as well as having attained distinction in the Licentiate Diploma in UK's Associated Board of the Royal Schools of Music (LRSM).

Period of service on Council during financial year:

01.01.10 – 31.12.10

Company Secretary's qualifications and experience

Anne Peters MAICD, MSt (Oxon), LLB (Medal), Grad Dip Leg Prac

Company Secretary from 01 January 2010 to 31 December 2010.

Master of Studies in Legal Research (University of Oxford), Bachelor of Laws and University Medal (University of New South Wales), Graduate Diploma in Legal Practice (University of Technology), Member of the Australian Institute of Company Directors, admitted as a Solicitor of the Supreme Court of New South Wales in 1992, admitted as a Solicitor of the Supreme Court of Queensland in 2003.

Anne has practised law since 1992 and been a Company Secretary for approximately ten years.

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

Directors' attendance at Council and Council Committee meetings: 01/01/10 - 31/12/10

Councillor	Council	Audit and Risk Council Committee	Education Council Committee	Executive Council Committee	HR and Remuneration Council Committee
A J Carey	6 of 6		6 of 6		
R M Fitzherbert	5 of 6				
D M Goodsall	5 of 6	4 of 5		6 of 7	
J D Gribble	1 of 1*				
B Hinton	6 of 6			7 of 7	
C R J Latham	5 of 6				4 of 4
J M Newman	5 of 6				4 of 4
B M Nicholls	4 of 6				4 of 4
M J O'Neill	6 of 6				
B E Rafe	6 of 6			7 of 7	
L R Smartt	6 of 6	1 of 1			
D A Smith	6 of 6	3 of 5			
G S Y Yu	6 of 6	3 of 5			
Councillor		International Council Committee	Nominations Council Committee	Public Policy Council Committee**	Research Council Committee
A J Carey				2 of 4	
R M Fitzherbert					
D M Goodsall		3 of 3			
J D Gribble					
B Hinton					
C R J Latham					4 of 4
J M Newman		2 of 3		3 of 4	
B M Nicholls		1 of 3	2 of 2		
M J O'Neill					2 of 4
B E Rafe			2 of 2	4 of 4	
L R Smartt					
D A Smith					
G S Y Yu				3 of 4	

* J D Gribble was an Alternate Director for R M Fitzherbert for the period 14 - 19 October 2010 and attended 1 Council meeting during that period in that capacity.

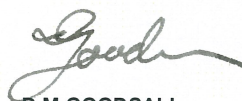
** In February 2010, the name of the committee was changed from "Submissions and Public Policy Council Committee" to "Public Policy Council Committee".

The auditor's independence declaration for the year ended 31 December 2010 has been received and can be found on page 12.

Signed on behalf of Council in accordance with a resolution of Council.



B E RAPE
President
Sydney, 29 March 2011



D M GOODSALL
Senior Vice President


Council and Audit Declarations

THE INSTITUTE OF ACTUARIES OF AUSTRALIA DECLARATION BY MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2010

The members of Council of the Institute declare that:

1. the financial statements and notes thereto are in accordance with the Corporations Act 2001 and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2010 and of the performance for the year then ended on that date of the Institute; and
2. in the Council's opinion, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

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



B E RAFE
President
Sydney, 29 March 2011



D M GOODSALL
Senior Vice President

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE COUNCILLORS OF THE INSTITUTE OF ACTUARIES OF AUSTRALIA

I declare that, to the best of my knowledge and belief, during the year ended 31 December 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.



F GIANNUZZI
Partner
Sydney, 29 March 2011



UHY HAINES NORTON
Chartered Accountants

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

Report on the Financial Report

We have audited the accompanying financial report of the Institute of Actuaries of Australia, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Councillors' declaration of the company and the consolidated entity.

Councillors' Responsibility for the Financial Report

The Councillors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the Councillors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Councillors, as well as evaluating the overall presentation of the financial report.

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


Independence

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

Opinion

In our opinion:

- (a) the financial report of the Institute of Actuaries of Australia is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Institute's financial position as at 31 December 2010 and its financial performance and its cash flows for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.


Franco Giannuzzi
Partner
Sydney
Signed on 31 March 2011


UHY HAINES NORTON
Chartered Accountants

UHY Haines Norton - ABN 85 140 758 156 NSWBN 98 133 826

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Statements of Comprehensive Income & Financial Position

THE INSTITUTE OF ACTUARIES OF AUSTRALIA STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	12 months to 31/12/2010 \$	15 months to 31/12/2009 \$
Investment and Other revenues		362,004	170,138
Events revenues		857,409	1,805,438
Education revenues		3,929,219	3,829,293
Knowledge revenues		139,189	201,217
Member Services revenues		3,001,965	3,408,798
Total Revenue	2	8,289,786	9,414,885
Administration expenses		(1,120,781)	(1,319,639)
Employment expenses		(2,727,058)	(3,560,415)
Events expenses		(525,928)	(1,103,207)
University Foundation Grants		(400,000)	(400,000)
Education expenses		(1,768,447)	(1,738,402)
Knowledge expenses		(162,801)	(267,572)
Governance expenses		(13,977)	(3,299)
Public Affairs expenses		(255,730)	(192,877)
Member Services expenses		(258,312)	(202,285)
Council and CEO expenses		(232,462)	(376,949)
Strategic Projects		(96,156)	(74,972)
Total Expenses		(7,561,651)	(9,239,615)
Surplus/(Deficit) before income tax expense		728,135	175,268
Income tax expense	1(d)	-	-
Surplus/(Deficit) attributable to members		728,135	175,268

THE INSTITUTE OF ACTUARIES OF AUSTRALIA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	31/12/2010 \$	31/12/2009 \$
CURRENT ASSETS			
Cash and cash equivalents	3	684,848	991,580
Trade and other receivables	4	543,762	376,519
Financial assets	5	5,579,530	3,544,034
Total current assets		6,808,140	4,912,133
NON CURRENT ASSETS			
Property, plant and equipment	6(a)	420,771	482,932
Intangibles	6(b)	420,611	291,623
Total non current assets		841,382	774,555
TOTAL ASSETS		7,649,522	5,686,688
CURRENT LIABILITIES			
Trade and other payables	7	1,951,895	702,766
Provisions	8	184,643	199,073
Total current liabilities		2,136,538	901,839
TOTAL LIABILITIES		2,136,538	901,839
NET ASSETS		5,512,984	4,784,849
MEMBERS' FUNDS			
Retained surplus		5,512,984	4,784,849
TOTAL MEMBERS' FUNDS		5,512,984	4,784,849

The accompanying notes form part of these financial statements

Statements of Changes in Equity & Cash Flow

THE INSTITUTE OF ACTUARIES OF AUSTRALIA STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	31/12/2010 \$	31/12/2009 \$
Balance at 1 January	4,784,849	4,609,581
Surplus attributable to members of the Institute	728,135	175,268
Balance at 31 December	5,512,984	4,784,849

THE INSTITUTE OF ACTUARIES OF AUSTRALIA STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	12 months to 31/12/2010 \$	15 months to 31/12/2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		9,256,527	9,554,315
Interest received		215,505	167,217
Trust distributions		58,349	83,334
Payments to suppliers and employees		(7,548,566)	(10,225,795)
Net cash inflow/(outflow) from operating activities	12(b)	1,981,814	(420,930)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments		1,144,775	2,505,914
Payments for investments		(3,145,258)	(1,000,000)
Purchase of property, plant and equipment		(288,064)	(323,407)
Net cash inflow/(outflow) from investing activities		(2,288,547)	1,182,507
Net increase/(decrease) in cash held		(306,733)	761,577
Cash at the beginning of year		991,580	230,003
Cash at the end of year	12(a)	684,847	991,580

The accompanying notes form part of these financial statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The Institute of Actuaries of Australia is a public company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The Institute of Actuaries of Australia has prepared the financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Council notes that, on 17 June 2009, the Australian Securities & Investments Commission (ASIC) provided relief to the Institute for the period 1 October 2008 to 31 December 2009 under s340(1) of the Corporations Act (Act) from the requirement in s323D(2)(b) of the Act that a financial year be 12 months long. The 2009 comparative amounts for revenue, expense and cash flows disclosed in this set of accounts relate to a fifteen month financial period.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values (except where otherwise stated), or current valuations of non-current assets.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received.

c. Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Institute commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Prime Cost Method
Office Equipment and software	20% - 33.33%
Furniture & Fittings	13%
Leasehold Improvements	the period of the lease and lease option

d. 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.

e. Leases

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.

f. Financial Instruments

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Impairment of Assets

At each reporting date, the Institute reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

h. Other Receivables

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

i. 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.

j. Employee Benefits

Provision is made for the Institute's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

l. Revenue

Revenue from the rendering of services is recognised upon delivery of the service to the member. Subscription income is brought to account evenly over the period to which it relates. Receipts received and expenses incurred before year end in relation to future services to be provided is deferred as a liability or asset, as appropriate (Note 4 - Deferred expenses and Note 7 - Registration fees received in advance, respectively).

Interest revenue is recorded on an accruals basis and trust distributions are recognised on a distribution basis.

m. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n. Exchange Rate

The Institute's exchange rate policy in relation to setting enrolment fees for UK exams is that the fee set by the Institute and Faculty of Actuaries is converted on the basis of the average exchange rate for the previous month plus a 10% margin for possible exchange rate variation.

o. IT Infrastructure Costs and Software

Significant costs relating to the major IT Infrastructure Project (Aptify members database), completed during 2010, were capitalised as a Non-current intangible asset in accordance with accounting standards and are being amortised over three years commencing from the middle of 2010.

p. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation of these financial statements.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

	12 months to 31/12/2010 \$	15 months to 31/12/2009 \$
2. REVENUE AND EXPENSES		
(a) Revenue		
Revenue from operating activities		
Income from sale of goods and services	7,948,655	9,263,522
Total Revenue from operating activities	7,948,655	9,263,522
Revenue from non-operating activities		
Interest received	246,413	178,513
Trust distributions received	58,349	83,334
Market value fluctuations of investments	38,289	(106,103)
Realised gains/(losses) on sale of investments	(1,920)	(4,381)
Net Revenue from non-operating activities	341,131	151,362
Total Revenue	8,289,786	9,414,885
(b) Expenses requiring additional disclosure		
Amortisation and Depreciation of assets:		
Leasehold improvements	89,604	112,006
Office equipment	42,694	49,366
Furniture and fittings	4,312	4,606
	136,610	165,978
Movements in provisions		
Leave and entitlements (see note 8)	(14,430)	(19,631)
Doubtful debts	-	-
	(14,430)	(19,631)
Rental expenses on operating leases		
Lease payments	303,667	458,997
	303,667	458,997
Remuneration of the auditors		
Auditing the accounts	22,150	21,500
Other services	-	2,500
	22,150	24,000
(c) Significant Revenue and Expense Items		
The following revenue and (expense) items are relevant in explaining the financial performance:		
Increase/(Diminution) in value of investment	38,289	(106,103)
3. CASH AND CASH EQUIVALENTS		
Cash at bank	684,448	991,180
Cash on hand	400	400
	684,848	991,580
4. TRADE AND OTHER RECEIVABLES		
Interest receivable	53,188	20,280
Income receivable	454,666	320,306
Less: Provision for doubtful debts	(7,500)	(7,500)
Deferred expenses	43,408	43,433
	543,762	376,519

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

	31/12/2010 \$	31/12/2009 \$		
5. FINANCIAL ASSETS				
Listed securities at market value	498,600	470,400		
Unit trusts at market value	504,056	640,663		
Cash on deposit	4,484,812	2,339,554		
	5,487,468	3,450,617		
Prize fund balances				
H M Jackson prize fund	6,262	6,212		
A M Parker prize fund	13,839	13,306		
Andrew Prescott Memorial prize fund	9,009	10,035		
The Melville prize fund	39,821	41,354		
Katherine Robertson prize fund	23,130	22,509		
	92,062	93,417		
	5,579,530	3,544,034		
6. (a) PROPERTY, PLANT AND EQUIPMENT				
Leasehold improvements, at cost	896,044	896,044		
Less: accumulated amortisation	607,828	518,224		
	288,216	377,820		
Computer and office equipment, at cost	260,725	289,088		
Less: accumulated depreciation	137,460	197,578		
	123,265	91,510		
Furniture and fittings, at cost	34,901	34,901		
Less: accumulated depreciation	25,611	21,299		
	9,290	13,602		
	420,771	482,932		
Movements in the Carrying Amounts				
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the year end of the current financial year.				
	Leasehold Improvements	Computer Equipment	Furniture & Fittings	Total
Balance at the beginning of the year	377,820	91,510	13,602	482,932
Additions	-	84,955	-	84,955
Disposals	-	(10,506)	-	(10,506)
Depreciation / amortisation expense	(89,604)	(42,694)	(4,312)	(136,610)
Carrying amount at the end of year	288,216	123,265	9,290	420,771
6. (b) INTANGIBLE ASSETS				
Computer software and IT Infrastructure - at cost	494,733			-
Less: accumulated amortisation	74,122			-
Work-in-progress - IT Infrastructure	-			291,623
	420,611			291,623
The capitalized costs at 31 December 2010 comprises \$50,000 of project management software (SIRDAR) and \$444,733 for the membership database (Aptify) completed in June 2010. Both the database and project software have ongoing value to the Institute but have no net realisable market value. The costs are being amortised over three years from date of installation.				
7. TRADE AND OTHER PAYABLES				
Unsecured:				
Sundry creditors and accruals	554,557			291,841
Enrolments and Registration fees received in advance	304,623			410,925
Unearned income (Membership renewals received in advance)	1,092,715			-
	1,951,895			702,766

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

8. CURRENT PROVISIONS

Employee entitlements

	Annual Leave & Bonus	Long Service Leave	Total
Opening balance	143,422	55,651	199,073
Increase/(Decrease) in provision during the year	157,245	(12,394)	144,851
Amounts used	(159,281)	-	(159,281)
Closing Balance	141,386	43,257	184,643

	Note	31/12/2010 \$	31/12/2009 \$
(a) Aggregate employee entitlement liability		184,643	199,073
(b) Number of employees at year end		24	21

9. CAPITAL AND LEASING COMMITMENTS

Operating Leases

Lease rental expense and commitments:

Rentals charged to income statement		303,667	458,997
Lease commitments:			
Not later than 12 months		314,599	14,915
Between 12 months and five years		791,364	7,457
Greater than five years		-	-
Total operating lease commitments	(a)	1,105,963	22,372

Other Commitments

Capital and Other expenditure commitments contracted for

UAM Textbook		-	55,000
IT Infrastructure		-	100,000
Payable within twelve months		-	100,000

(a) Building Rent Agreement that expired on 1 May 2009 with a 5 year option to renew at market rates was completed in 2010 and is due to expire on 1 May 2014

10. RELATED PARTY TRANSACTIONS

(a) The names of the Council Members who held office during the financial period are:

A J Carey	C R J Latham	L R Smartt
R M Fitzherbert (to Dec 10)	J M Newman	D A Smith
D M Goodsall	B M Nicholls	G S Y Yu
J D Gribble (Oct 10 only)	M J O'Neill	
B Hinton	B E Rafe	

(b) During the year the Institute had contracts with various entities which had officers or employees who were Council Members of the Institute. These transactions are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were two contracts with The University of Melbourne, which are related to R M Fitzherbert, in relation to two Research projects. The amount incurred during the year was \$22,647 (2009 \$0).

There were two contracts with Professional Financial Solutions, which is related to J M Newman, in relation to the rental of additional office floor space at Challis House and Public Policy. The amount incurred during the year was \$85,647 (2009 \$20,050).

There was a payment made to B E Rafe, in relation to Facilitating the Financial Services Forum. The amount incurred during the year was \$6,600 (2009 \$0).

There was a contract with Taylor Fry Pty Ltd, which is related to D A Smith, in relation to a research project. The amount incurred during the year was \$8,250 (2009 \$0).

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

10. RELATED PARTY TRANSACTIONS (continued)

- (c) Grants were made during the year to the Macquarie University Actuarial Foundation for \$72,663 and the Australian Universities Actuarial Foundation for \$214,412.
- (d) The Chief Executive of the Institute, Ms Melinda Howes, is a Fellow of the Institute.
- (e) There were no other transactions with related parties during the year.

11. FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted 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:

Weighted Average Effective Interest Rate:	12 months to 31/12/2010 %	15 months to 31/12/2009 %
Financial Assets		
Cash at Banks	1.61	1.21
Cash on deposit	4.54	4.41
Investments	6.3	5.26
	31/12/2010 \$	31/12/2009 \$
Floating Interest Rate: Financial Assets		
Cash at Banks	684,448	991,180
Cash on deposit	-	-
Investments	590,662	563,817
Total Financial Assets	1,275,110	1,554,997
Fixed Interest Rate Maturing within 1 year: Financial Assets		
Cash at Banks	-	-
Cash on deposit	4,484,812	2,339,554
Investments	-	-
Total Financial Assets	4,484,812	2,339,554
Fixed Interest Rate Maturing within 1-5 years: Financial Assets		
Cash at Banks	-	-
Cash on deposit	-	-
Investments	-	-
Total Financial Assets	-	-
Non-Interest Bearing: Financial Assets		
Cash at Banks	-	-
Cash on deposit	-	-
Investments	504,056	640,663
Total Financial Assets	504,056	640,663

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

11. FINANCIAL INSTRUMENTS (continued)

(c) Credit Risk

Credit risk refers to the risk that a counterparty 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 counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

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 in the notes to the financial statements.

(d) Net Fair Values

The net fair value of listed investments has been taken at market value at balance date. The net fair value of unlisted investments has been determined by their published unit prices as at balance date or, for those unlisted investments which have no published unit price at balance date then, their latest quoted unit price. The exception to the foregoing is that of the unlisted investment in Basis Capital, which has been valued using information supplied by the fund manager. For other assets and liabilities, the net fair value is their carrying value in the balance sheet.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. This may be whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. At balance date the Institute had investment holdings of \$1,002,656 (2009 \$1,111,061) with exposure to market risk.

Sensitivity analysis

The following table illustrates sensitivities to the Institute's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

		Surplus \$	Equity \$
Year ended 31/12/2010			
+/- 2% in interest rates	+/-	91,537	91,537
+/- 10% in listed & unlisted investments	+/-	100,266	100,266
Period ended 31/12/2009			
+/- 2% in interest rates	+/-	48,659	48,659
+/- 10% in listed & unlisted investments	+/-	111,106	111,106

12. CASH FLOW INFORMATION

(a) Reconciliation of Cash

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

	31/12/2010 \$	31/12/2009 \$
Cash	684,848	991,580

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

12. CASH FLOW INFORMATION (continued)

	12 months to 31/12/2010	15 months to 31/12/2009
(b) Reconciliation of Cash Flow from Operations with Net Surplus		
Net Surplus/(Deficit)	728,135	175,268
Non-Cash Flows in Surplus		
Depreciation and amortisation	210,731	165,977
Loss on disposal of assets	10,506	4,381
Loss on disposal of securities	1,920	
Non-cash other (income) / expenses	1,354	(42,571)
Changes in Assets and Liabilities		
Decrease/(Increase) in interest receivable	(30,908)	(10,456)
Decrease/(Increase) in income receivable	(108,296)	(97,607)
Decrease/(Increase) in deferred expenses	(28,040)	78,060
Decrease/(Increase) in receivable from ATO	-	33,747
Increase/(Decrease) in sundry creditors	262,716	(802,918)
Increase/(Decrease) in income in advance	986,413	(11,284)
Decrease/(Increase) in market value of investments	(38,288)	106,103
Increase/(Decrease) in employee provisions	(14,430)	(19,631)
Net cash provided by operating activities	1,981,814	(420,930)

13. MEMBERS' GUARANTEE

The Institute is a public company limited by guarantee and holds a licence under the Corporations Act 2001 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 3,788 (2009: 3,588).

14. KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term benefits	Post- employment benefit	Other long-term benefits	Total
	\$	\$	\$	\$
2010				
Total compensation	<u>726,452</u>	<u>76,108</u>	-	<u>802,560</u>
2009				
Total compensation	<u>1,434,703</u>	<u>117,962</u>	-	<u>1,552,665</u>

The Post-employment benefit comprises superannuation contributions payable in accordance with SGL legislation.

15. SEGMENT INFORMATION

The Institute operates in Australia to provide members of the actuarial profession with education, continuing professional development, public representation and other services.

16. COMPANY DETAILS

The registered office of the company is:
Level 7 Challis House
4 Martin Place
SYDNEY NSW 2000

17. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Since Balance Date no significant event has occurred which would have a material impact on the content of this report.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA

AUDITORS' DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional financial presented on page 24 to page 26 is presented in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of The Institute of Actuaries of Australia for the year ended 31 December 2010.

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 otherwise however caused.



Franco Giannuzzi
Partner
Sydney

Signed on 31 March 2011



UHY HAINES NORTON
Chartered Accountants

Members Income Statement

THE INSTITUTE OF ACTUARIES OF AUSTRALIA PRIVATE INFORMATION FOR THE MEMBERS INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	12 months to 31/12/2010 \$	15 months to 31/12/2009 \$
REVENUE			
Investment and Other			
Interest		246,621	178,514
Trust Distributions		58,349	83,334
Market Value Fluctuations on Investments		38,289	(106,103)
Realised Gains/(Losses) on Sale of Investments		(1,920)	(4,381)
Prize Funds Income		4,365	3,274
Prize Funds Donations		16,300	15,500
		362,004	170,138
Events			
Seminars & Programs		857,409	1,805,438
		857,409	1,805,438
Education			
Tuition Service (UK)		100,530	113,217
Professionalism Course		648,184	237,358
Part III (inc CAP) Course Fees		2,544,887	2,422,935
Exemption Fees		635,618	1,055,783
		3,929,219	3,829,293
Knowledge			
Advertising		44,825	67,182
Sales of Publications		94,364	133,786
Research & Reports		-	250
		139,189	201,217
Member Services			
Members' Subscriptions		2,725,861	3,126,365
Entrance Fees		80,236	110,618
Job Advertisements		112,750	113,300
Member Functions		73,618	50,580
Other		9,500	7,935
		3,001,965	3,408,798
TOTAL REVENUE		8,289,786	9,414,885
LESS EXPENDITURE			
Administration			
Professional Fees including Audit		30,100	87,589
Legal Fees		31,234	46,144
General		16,496	59,784
Staff Amenities & Travel		30,279	31,511
Insurances		17,601	50,571
Merchant Expenses & Bank Charges		5,612	8,404
Premises		394,066	493,391
Depreciation & Amortisation		210,731	165,977
Loss on Disposal of Fixed Assets		10,506	-
Computer & Telecommunications		229,393	231,758
Stationery/Printing, Subs & Couriers		103,373	94,515
Prizes Paid & Bank Charges		15,820	13,130
Hong Kong Office (share of costs with SOA and IFofA)		25,571	36,865
		1,120,781	1,319,639

Members Income Statement

THE INSTITUTE OF ACTUARIES OF AUSTRALIA PRIVATE INFORMATION FOR THE MEMBERS INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	12 months to 31/12/2010 \$	15 months to 31/12/2009 \$
LESS EXPENDITURE (continued)			
Employment			
Salaries & Superannuation		2,597,307	3,259,049
On Costs		98,211	194,758
Fringe Benefits Tax		3,757	(9,510)
Recruitment/Training/HR Advice		27,783	116,119
		2,727,058	3,560,415
Events			
Seminars & Program		525,928	1,103,207
		525,928	1,103,207
University Foundation Grants			
Macquarie University Actuarial Foundation		85,000	85,288
University of NSW Actuarial Foundation	(a)	315,000	314,712
		400,000	400,000
(a) Includes contributions of \$85,000 to ANU, \$68,000 to Curtin University of Technology and \$77,000 to University of Melbourne.			
Education			
Course Development		(3,000)	15,557
Part III (inc CAP)		1,517,480	1,612,841
Professionalism Course		233,551	86,704
University Prizes & Scholarships		20,416	23,300
		1,768,447	1,738,402
Knowledge			
Actuary Australia, AAJ & Other Publications		166,801	267,572
ARCA		(4,000)	-
		162,801	267,572
Governance			
Disciplinary Scheme		13,977	3,297
Professional Standards Review		-	1
		13,977	3,298
Public Affairs			
Functions		-	889
Consultants' Fees		198,518	146,991
Subscriptions		26,899	23,383
Travel & Other		-	788
Representation/Training		30,313	20,826
		255,730	192,877
Member Services			
Member Functions		220,528	164,662
IAA Subscriptions		37,784	37,623
		258,312	202,285
Council and CEO			
International Representation		84,699	197,669
Council and Committees		147,763	179,279
		232,462	376,949
Strategic Projects			
Strategic Projects		96,156	74,972
TOTAL EXPENDITURE		7,561,651	9,239,615

Prize Fund Movements

PRIVATE INFORMATION FOR MEMBERS PRIZE FUND MOVEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

	12 months to 31/12/2010 \$	15 months to 31/12/2009 \$
Receipts into and payments from the prize funds have been reflected in the Institute's profit and loss account as follows:		
Interest Received	2,593	2,117
Donations Received	16,300	15,500
Prizes Paid	(22,020)	(6,930)
	(3,127)	10,687
The detailed movements in each account are as follows:		
H M Jackson Prize Fund		
Balance at beginning of year	6,212	6,374
Supplementation from Melville Prize Fund	3,278	3,095
Interest received	272	223
Prize paid	(3,500)	(3,480)
Balance at end of year	6,262	6,212
A M Parker Prize Fund		
Balance at beginning of year	13,306	12,858
Supplementation from Melville Prize Fund	-	-
Interest received	533	448
Prize paid	-	-
Balance at end of year	13,839	13,306
Andrew Prescott Memorial Prize Fund		
Balance at beginning of year	10,035	10,037
Supplementation from Melville Prize Fund	5,405	3,063
Interest received	469	385
Prizes paid	(6,900)	(3,450)
Balance at end of year	9,009	10,035
The Melville Prize Fund		
Balance at beginning of year	41,354	30,951
Donations received	16,300	15,500
Interest received	1,320	1,061
Supplementation to other prize funds	(8,683)	(6,158)
Melville Convention and Health Insurance Awards paid 2009	(6,200)	-
Melville Practitioners & Financial Services Forum Award paid	(4,270)	-
Balance at end of year	39,821	41,354
Katherine Robertson Prize Fund		
Balance at beginning of year	22,509	21,353
Increase/(Decrease) in Market Value	1,772	1,156
Interest received	-	-
Prize paid	(1,150)	-
Balance at end of year	23,131	22,509