



THE INSTITUTE OF ACTUARIES OF AUSTRALIA

**FINANCIAL REPORT AND COUNCIL'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Contents

| | |
|--|----|
| Report of Council | 3 |
| Council Declaration | 12 |
| Auditor's Independence Declaration | 13 |
| Independent Auditor's Report | 14 |
| Statement of Profit or Loss and Other Comprehensive Income | 16 |
| Statement of Financial Position | 17 |
| Statement of Changes in Equity | 18 |
| Statement of Cash Flows | 19 |
| Notes to Financial Statements | 20 |



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Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

To comply with the *Corporations Act 2001* (Act), Council submits its report on the Institute of Actuaries of Australia (Institute) for the year ended 31 December 2019.

The Institute is registered in Australia as a public company limited by guarantee and holds a licence to omit the word "Limited" from its name (the operation of which is extended by s151 of the Act). Council constitutes the Board of Directors of the Institute.

Overview of result for the twelve months to 31 December 2019

The Institute's Vision and Mission

The Vision of the Institute is: "That wherever there is uncertainty of future financial outcomes, actuaries are sought after for their valued advice and authoritative comment."

The Mission is:

- ▶ To inspire, guide and support actuaries to help business and society be more resilient to future uncertain events.
- ▶ This is achieved by providing education, standards, representation, thought leadership and a professional community.

Strategy for achieving the Vision and Mission

The year represented the middle year of implementation of the 2018-20 Strategic Plan. The Plan and associated budget to execute the Strategy were approved at the March 2018 Council meeting; and 2019 budget to continue the strategy was approved in the December 2019 Council meeting.

2018-20 Strategic Plan

The Plan has four goals:

Goal 1: Deliver quality professional learning by enhancing the qualification education program, driving continuing professional development and establishing a flagship event by 2020 and building the platform for ICA 2022.

Goal 2: Growth and diversity, foster emerging area of data analytics, increase demand for Actuaries and grow membership and diversity.

Goal 3: Build brand and community by raising awareness of brand "Actuary", contributing to public policy and promoting member value.

Goal 4: Build a future-proof and professional organisation by enhancing professional standards, developing global strategy and partnerships whilst cultivating a 'best practice' organisation.

The principal activities of the Institute are:

- ▶ providing qualifications for Actuaries (FIAA and AIAA);
- ▶ provision of education courses and exams, and the provision of CPD;

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

- ▶ running of 2–3 major events per year which, in turn, allow for the running of many smaller events like Insights sessions;
- ▶ promoting the views of the profession to key decision makers; and
- ▶ providing relevant information and services to Members through active communication.

The Institute's finances

The Institute's finances are governed by policies set down by Council. Council has tasked the Audit and Risk Council Committee (ARCC) to monitor and report on the Institute's finances and financial reports.

Council's financial strategy for the medium term is to:

- ▶ produce at least break-even budgets on business as usual activities (BAU);
- ▶ maintain reserves at levels within the Financial Management Policy
- ▶ fund the development of the new education curriculum under the Education Strategy Review (ESR) through use of the strategic reserves (i.e. permit ESR to incur deficits); and
- ▶ Fund the 2018-2020 Strategic Plans.

Performance measure

Monthly management reports comparing actual results to budget are provided to the CEO. Council and ARCC receive quarterly reports.

The Institute's finances are audited and reported upon annually, in accordance with Australian Accounting Standards.

Review of operations

Year on Year

Total revenue was \$11,222k (2018: \$9,331k) and total expenses was \$9,996k (2018: \$9,175k) resulting in an operating profit for the year of \$1,225k (2018: \$156k). Details of the revenue and expenses are reported in note 3 in 'Notes to the Financial Statements'.

Total revenue increased in 2019 by \$1,891k. Membership fees increased by \$334k, education revenue increased by \$1,270k from an increase in course and exam fees of \$861k primarily from the professionalism course and \$409k in exemption fees. Evidence indicates that students are bringing forward study to provide themselves the opportunity to complete their subjects/courses before the changes to the syllabus contained in the ESR. This has resulted in an increase in education revenue relative to budget. Events revenue increased by \$370k as the "Summit" biennial conference was held in 2019. Recovery of credit card fees generated \$90k (2018: \$120k). Sale of publications and advertising space declined by \$47k. The requirement to adopt treatment of leases under AASB 16 produced a one-off gain of \$147k which has been posted directly to retained earnings.

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

Total expenses increased in 2019 by \$821k. Material differences from "Specific activities costs" (see note 3) accounted for \$528k with the implementation of ESR contributing \$687k. The increase in ESR costs relates to the development costs of the new fellowship subjects. In 2019 HR costs from specific activities were allocated to each department rather than a single total for all specific activities in 2018 (Note 3 (b) Specific activities costs).

Supporting activities costs increased by \$315k with communications and marketing account for \$154k and public policy and professionalism \$164k.

Actual to Budget

Council approved a budgeted deficit of \$581k of which \$700k was approved for the Education Strategy Review (ESR) in 2019. The approval is within the parameters set within the Financial Management policy.

The net surplus of \$1,225k plus the \$147k from the adoption of AASB16 is \$1,940k greater than the original budgeted deficit of \$581k which is mainly due to:

- ▶ higher than expected course and exam enrolments and attending the professionalism course of \$965k;
- ▶ higher revenue from events \$107k;
- ▶ high revenue from membership fees \$218k;
- ▶ Less lower revenue from sale of publications \$105k; and,
- ▶ lower costs of operations \$750k principally from:
 - Savings in Education HR costs \$277k;
 - Savings in course delivery costs \$116k;
 - Savings in ESR HR costs \$167k;
 - Savings in Events food/beverage and audio costs \$153k.

The \$1,225k surplus plus the \$147k posted directly to retained earnings will be retained as a reserve for anticipated deficits created by potentially lower future education enrolments particularly in the area of professionalism [\$1,194k & \$659k deficits are budgeted for 2020 & 2021]; allowance of possible additional costs of the ESR up to \$100k and a contingency against a possible deficit from International Congress of Actuaries 2022 (ICA2022).

Other information

- ▶ The reserving policy sets out two reserves – Minimum Reserves and Strategic Reserves. Minimum reserves set the floor for net assets and cash and cash equivalents for a wind-up situation. Strategic reserves are to accommodate expenditure on strategic transactions such as the ESR. The value of these reserves at the start of 2020 are \$1.275m and \$2.550m.
- ▶ Council approved the implementation of the recommendations of the Education Strategy Review Committee relating to Part III syllabus at the December 2017 Council meeting. The budgeted cumulative deficit is expected to peak in 2021 is expected at approximately \$2,029k; this is expected to be funded from strategic reserves. This is higher than previously estimated given the decisions to keep Fellowship program fees unchanged for the near term.
- ▶ The Institute is hosting the International Congress of Actuaries in 2022 in Sydney. Due to the risks in hosting the congress Council required that a contingency reserve of \$500k be established. It was funded in 2018 by the actual net surplus exceeding the budget deficit by \$721k.

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

- ▶ As at balance date capital expenditure of \$796k has been incurred on work in progress and a further expenditure of \$270k in 2020 has been approved by Council.
- ▶ No other 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 2019.
- ▶ The members of Council believe that there are no other likely significant developments in the operations of the Institute and the expected results of those operations in the financial years subsequent to 31 December 2019 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, other than Presidential Committee members who attend Institute events free of charge. Since the end of the previous financial year, no member of Council who was a member of Council during 2019 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 14 to the Financial Statements.
- ▶ During the financial year, the Institute had in place an insurance policy covering the Office Bearers against liabilities incurred as such Office Bearers 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.
- ▶ If the Institute is wound up, the Constitution states that each Member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 31 December 2019, the total amount that Members of the Institute are liable to contribute if the Institute is wound up is \$99,860 (2018: \$94,800).

Information on Councillors

The name of each person who has been a Councillor during the financial year and to the date of this report along with details of their qualifications and experience are shown below (in alphabetical order).

Hoa Bui BEc FIAA GAICD

Hoa is a partner at KPMG Australia and was in charge of its Actuarial & Financial Risk division between 2017 to 2019. She joined KPMG after 20 years of corporate experience at AC&L, AXA and Tower Australia where she held senior actuarial roles in pricing, finance and financial reporting, including being the senior actuary of Australia No 1 and No 2 Group and retail risk portfolio. Hoa has been the Appointed Actuary for 3 insurers at various times, acted as trustee of a superannuation fund, and director of KPMG Financial Services Consulting Ltd. She led the FSC-KPMG life insurance industry claims data collection since 2008 for KPMG.

Councillor

1 January 2015 to present

Council Committee service during 2019

Member, Presidential Committee

Member, International Council Committee

Member, Nominations Council Committee

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

Member, Public Policy Council Committee

Ann-Maree Cook BSc FIAA

Ann-Maree has close to 30 years' experience in the insurance industry, predominantly in general insurance with roles in both corporations and consulting firms. She worked throughout the Asia Pacific region and resided in Hong Kong and Singapore for several years. Ann-Maree was previously the Asia Pacific Actuary and Senior Vice President for the Chubb Insurance Group.

Councillor

9 January 2017 to 31 December 2019

Council Committee service during 2019

Chair, Education Council Committee

Andrew Doughman BCom BAppFin FIAA

Andrew is a General Manager at Allianz Australia, responsible for the functions of Underwriting Services, Reinsurance and Risk Engineering, as well as fulfilling the role of Deputy Chief Underwriting Officer. Prior to joining Allianz, he worked in a number of other roles within the General Insurance industry including as a Senior (Reinsurance) Underwriter and Client Manager with Hannover Re, as a Senior Manager with EY and in Product Management for Suncorp. Andrew has deep expertise in stakeholder management having dealt with a number of different functions within insurance and reinsurance companies as well as with brokers, clients and regulators

Councillor

1 January 2017 to 31 December 2019

Council Committee service during 2019

Member, Public Policy Council Committee

Member, ICA 2022 Council Steering Committee

Naomi Edwards BSc (Hons) FIA FIAA FAICD

Naomi is a professional non executive director and currently sits on a variety of boards. She is Chair of Tasplan Super, which she has led through three mergers in the last three years. She also sits on the boards of Propel Funeral Partners, a listed company providing services in the death care industry and Nikko AM, the Australian funds management subsidiary of the global Nikko Group. She also sits on a variety of government and industry boards. In her executive actuarial role, she has worked mostly in the life insurance area as well as the environmental area. She is a former partner of Deloitte and Trowbridge Consulting.

Councillor

1 January 2020 to present

Council Committee service during 2019

Not Applicable

Jefferson Gibbs BSc FIA FIAA FSocANZ

Jefferson has worked for more than 25 years as an actuarial consultant, predominantly in general insurance. He has worked in New Zealand, the UK and Australia and covered insurers in more than 20 global jurisdictions. Jefferson holds a number of Appointed Actuary and Loss Reserve specialist roles. He is a Partner at KPMG and a Director of KPMG Financial Services Consulting Ltd.

Councillor

1 January 2018 to present

Council Committee service during 2019

Member, Presidential Committee

Chair, Audit and Risk Council Committee

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

Jules Gribble FIAA FSA FCA, CERA GAICD PhD

Jules has over 30 years professional experience. Until December 2018 he was a Senior Policy Advisor at the IAIS in Basel. Prior to that he has established actuarial consultancies and been a partner at EY. Jules has long standing interests in professional actuarial capacity building, especially CPD, supervisory capacity building, and retirement incomes. He has represented the Australian Institute on the IAA's Advice and Assistance committee since 2014 and is an active contributor to the IAA. He is also part of the team organising the global ICA 2022.

Councillor

1 January 2019 to present

Council Committee service during 2019

Not Applicable

Steve Hui BSc MSc FIAA FCPA

Steve has over 40 years of experience in the financial and insurance services industry and in public services. He has held executive positions in finance, investment, actuarial and IT areas in Australia, Hong Kong, Taiwan, Shanghai and Beijing. Steve is the managing director of the Financial Consulting Co Ltd in Hong Kong. He is an advisor to the Hong Kong Insurance Authority. He is also a Fellow and past president of CPA Australia, Hong Kong China Division.

Councillor

1 January 2019 to present

Council Committee service during 2019

Member, Audit and Risk Council Committee

Member, International Council Committee

Member, Public Policy Council Committee

Annette King BEc FIAA FAICD

Annette is a Non-Executive Director at Swiss Re Australia and New Zealand, a Non-Executive Director of FNZ (a wealth technology company) and the Chair of Galileo Platforms (an insurtech company). She has been a CEO, CMO and CFO working in wealth management, pensions and life insurance for companies such as Manulife, AXA and Mercer. She has lived and worked in Australia, Singapore and Hong Kong.

Councillor

1 January 2018 to present

Council Committee service during 2019

Member, Audit and Risk Council Committee

Chair, ICA 2022 Council Steering Committee

Bill Konstantinidis BEc FIAA MBA(Exec)

Bill has extensive experience within the general insurance area. He is currently Chief Underwriting Officer at Cover-More. Prior to this he held a number of Executive Manager positions with Suncorp managing large actuarial valuation and pricing teams. He has also held Chief Underwriting Officer/Executive Manager roles with Allianz Global Assistance, RACQ Insurance and CUNA Mutual. In 2011 he was President of the Queensland Branch of ANZIIF (Australian and New Zealand Institute of Insurance and Finance).

Councillor

20 January 2016 to 31 December 2019

Council Committee service during 2019

Member, Nominations Council Committee

Member, ICA 2022 Council Steering Committee

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

Iris Lun BA BCom FIAA

Iris is the founder and director of 10Life, a digital platform providing insurance product ratings and intelligence to consumers in Hong Kong. With over 20 years of international experience across Asia Pacific and Europe, she has previously held various actuarial and business management positions at global consulting and life insurance companies including Towers Watson, ING and Prudential.

Councillor

1 January 2020 to present

Council Committee service during 2019

Not Applicable

Nicolette Rubinsztein B Bus Sc (Hons) EMBA FIAA GAICD

Nicolette is a non-executive director of Zurich/One Path, UniSuper, Class, CBHS Health and SuperEd. Prior to this she was a General Manager at Colonial First State/ Commonwealth Bank, a director of ASFA (the Association of Superannuation Funds of Australia) and a Vice President at BT and a consultant at Towers Perrin. She is author of the book *Not Guilty* on the subject of career mums.

Councillor

1 January 2016 to 31 December 2019

Council Committee service during 2019

Member, Presidential Committee
Member, International Council Committee
Member, Nominations Council Committee
Member, Public Policy Council Committee

Darren Stevens FIAA

Darren is a qualified actuary with over 34 years' experience in the financial service sector. His first 10 years were involved in actuarial consulting in the Investment, Superannuation and Life Insurance fields with Mercer and Trowbridge Consulting. Darren then moved into the wider field and held a number of executive positions including Product Management, Strategy, Operations and Marketing for Tower Life and ING Australia. He then spent 11 years working in the FinTech Bravura Solutions as Director of Product Management and Strategy running a global team in the successful launch of its wealth management solutions. Most recently Darren held the position of Head of Superannuation for Mercer Australia before joining MLC Australia in January 2020 as Group Executive Platforms responsible for the management, growth and development of investment platforms in Australia.

Councillor

1 January 2020 to present

Council Committee service during 2019

Not Applicable

David Whittle BSc (1st Class Hons) BEc DipLaw FIAA GAICD

David is the Chief Risk Officer – Advice and Insurance for CBA. He has had 30 years' experience in the insurance industry spanning general and life insurance, multinational insurers and consulting firms plus roles in reserving, pricing, underwriting and general management and risk management. From 2013 to 2018 David was Chief Reserving Actuary for Zurich's Asia-Pacific general insurance business across nine countries and prior to that he was a KPMG Partner and held senior roles at Allianz Australia.

Councillor

1 January 2019 to present

Council Committee service during 2019

Member, International Council Committee

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

Company Secretary's qualifications and experience

Glyn Thomas BBus CPA

Company Secretary from 26 February 2016 to present.

Glyn has been the Chief Financial Officer of the Institute since 2011 having previously held a number of Financial Controller / Company Secretary positions and has been a member of CPA Australia for over 37 years.

David Thompson B.AppSc MAICD, MIOD

Company Secretary from 14 September 2016 to 2 January 2019.

David has more than 30 years' experience as a company director including 14 years as executive and non-executive director with a listed company. David is a member of the Institute of Directors (UK), the Australian Institute of Company Directors and the Australian Institute of Management.

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' attendance at Council and Council Committee meetings: 01/01/19 – 31/12/19

| Director | Council | Audit and Risk Council Committee | Education Council Committee | International Council Committee | Nominations Council Committee | Presidential Committee | Public Policy Council Committee | ICA 2022 Council Steering Committee |
|------------------|---------|----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------------------|---------------------------------|-------------------------------------|
| H Bui | 4 of 4 | | | 1 of 2 ² | 1 of 2 | 4 of 4 | 2 of 4 | |
| A M Cook | 4 of 4 | | 5 of 5 | | | | | |
| A Doughman | 3 of 4 | | | | | | 3 of 4 | 6 of 10 |
| J Gibbs | 4 of 4 | 3 of 4 | | | | 4 of 4 | | |
| J Gribble | 4 of 4 | | | | | | | |
| S Hui | 4 of 4 | 4 of 4 | | 2 of 3 ¹ | | | 2 of 2 ³ | |
| A King | 4 of 4 | 4 of 4 | | | | | | 10 of 10 |
| B Konstantinidis | 4 of 4 | | | | 1 of 2 | | | 6 of 7 ⁴ |
| N Rubinsztein | 4 of 4 | | | 4 of 5 | 2 of 2 | 4 of 4 | | |
| D Whittle | 4 of 4 | | | 2 of 2 ⁵ | | | | |

¹ Cr Hui was a member of the Committee from 19 August 2019

² Cr Bui was a member of the Committee from 25 October 2019

³ Cr Hui was a member of the Committee from 30 May 2019

⁴ Cr Konstantinidis resigned from the Committee on 31 July 2019

⁵ Cr Whittle was member of the Committee from 25 October 2019

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 13.

Signed on behalf of Council in accordance with a resolution of Council pursuant to section 298(2)(a) of the *Corporations Act 2001 (Cth)*.



H BUI
President
Sydney 11 March 2020



J GIBBS
Senior Vice President

Council and Audit Declarations

THE INSTITUTE OF ACTUARIES OF AUSTRALIA DECLARATION BY MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2019

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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Institute's financial position as at 31 December 2019 and of its performance and cashflows for the year then ended on that date; 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 made pursuant to section 295(5)(a) of the *Corporations Act 2001*, and is signed for and on behalf of the members of Council by:



H BUI
President
Sydney, 11 March 2020



J GIBBS
Senior Vice President

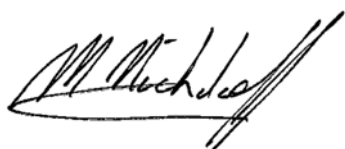
THE INSTITUTE OF ACTUARIES OF AUSTRALIA

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

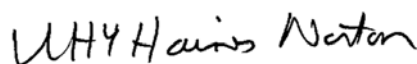
TO THE COUNCILLORS OF THE INSTITUTE OF ACTUARIES OF AUSTRALIA

As auditor for the audit of the Institute of Actuaries of Australia for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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



Mark Nicholaeff
Partner
11th March 2020
Sydney



UHY Haines Norton
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE INSTITUTE OF ACTUARIES OF AUSTRALIA

Opinion

We have audited the financial report of the Institute of Actuaries of Australia (the Institute), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the councillors' declaration.

In our opinion, the accompanying financial report of the Institute of Actuaries of Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the institute's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Institute in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The councillors are responsible for the other information. The other information comprises the information included in the Institute's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Councillors' for the Financial Report

The councillors of the Institute 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the councillors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the councillors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

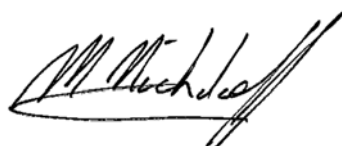
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

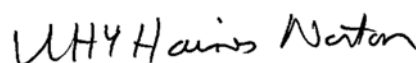
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Presentation of the financial report on the Internet

It is our understanding that the Institute intends to publish a hard copy of the audited financial report and the auditor's report for members, and to electronically present the audited financial report and the auditor's report on its web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by the Institute to maintain the integrity of the data presented. An examination of the controls over the electronic presentation of audited financial information on the Institute's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the Institute's web site is that of the directors of the Institute.

A handwritten signature in black ink, appearing to read 'Mark Nicholaeff'.

Mark Nicholaeff
Partner
11th March 2020
Sydney

A handwritten signature in black ink, appearing to read 'UHY Haines Norton'.

UHY Haines Norton
Chartered Accountants

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | Year Ended 31/12/2019 \$ | Year Ended 31/12/2018 \$ |
|--|------|--------------------------------|--------------------------------|
| Revenues | 3 | 11,221,846 | 9,331,207 |
| Expenses | 3 | (9,996,383) | (9,175,272) |
| Surplus before income tax expense | | 1,225,463 | 155,935 |
| Income tax expense | 1 | - | - |
| Surplus after income tax expense | | 1,225,463 | 155,935 |
| Other Comprehensive Income: | | | |
| Other Comprehensive Income for the period, net of tax | | - | - |
| Total Comprehensive Income for the period | | 1,225,463 | 155,935 |

The accompanying notes form part of these financial statements.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | Note | 31/12/2019 \$ | 31/12/2018 \$ |
|--------------------------------------|------|-------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 3,997,630 | 3,251,866 |
| Trade and other receivables | 5 | 635,106 | 480,853 |
| Financial assets | 6 | 4,853,067 | 4,739,050 |
| Total current assets | | 9,485,803 | 8,471,769 |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 139,011 | 179,663 |
| Other non-current assets | 8 | 949,011 | 325,693 |
| Intangible assets | 9 | 818,356 | 553,194 |
| Total non-current assets | | 1,906,378 | 1,058,550 |
| TOTAL ASSETS | | 11,392,181 | 9,530,319 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 3,922,112 | 3,921,020 |
| Other Liabilities | 11 | 400,654 | - |
| Provisions | 12 | 356,676 | 487,530 |
| Total current liabilities | | 4,679,443 | 4,408,550 |
| NON CURRENT LIABILITIES | | | |
| Provisions | 12 | 114,226 | 112,810 |
| Other liabilities | 11 | 591,222 | 373,903 |
| Total non-current liabilities | | 705,448 | 486,713 |
| TOTAL LIABILITIES | | 5,384,891 | 4,895,263 |
| NET ASSETS | | 6,007,290 | 4,635,056 |
| MEMBERS' FUNDS | | | |
| Retained surplus | | 6,007,290 | 4,635,056 |
| TOTAL MEMBERS' FUNDS | | 6,007,290 | 4,635,056 |

The accompanying notes form part of these financial statements.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

| | 31/12/2019 | 31/12/2018 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Balance at 1 January | 4,635,056 | 4,479,121 |
| Impact from adoption of AASB16 | 146,771 | - |
| Surplus after income tax expense for the year | 1,225,463 | 155,935 |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | 1,225,463 | 155,935 |
| Balance at 31 December | 6,007,290 | 4,635,056 |

The accompanying notes form part of these financial statements.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 31/12/2019 \$ | 31/12/2018 \$ |
|---|----------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members and others | | 10,817,989 | 10,266,541 |
| Payments to suppliers and employees | | (9,600,317) | (9,502,984) |
| Net cashflow from operations | | 1,217,672 | 763,557 |
| Other revenue | | 245,482 | - |
| Finance costs paid | | (67,829) | - |
| Interest received | | 150,894 | 141,389 |
| Net cash (outflow) inflow from operating activities | 16(b) | 1,546,219 | 904,946 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant & equipment | | (365,005) | (268,475) |
| Payment for investments | | (114,017) | (96,316) |
| Net cash outflow from investing activities | | (479,022) | (364,791) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of lease principal amounts | | (321,433) | - |
| Net cash inflow/(outflow) from financing activities | | (321,433) | - |
| Net increase in cash held | | 745,764 | 540,155 |
| Cash at the beginning of year | | 3,251,866 | 2,711,711 |
| Cash at the end of year | 4, 16(a) | 3,997,630 | 3,251,866 |

The accompanying notes form part 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 2019 (CONTINUED)

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Institute of Actuaries of Australia is a public company limited by guarantee, incorporated and domiciled in Australia. It is classified as a Not for Profit Entity. These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. A statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board cannot be made due to the application of not-for-profit specific requirements contained in Australian Accounting Standards.

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

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 | 33.33% to 50% |
| Furniture & Fittings | 13% |
| Leasehold Improvements | the period of the lease |

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

1. Significant accounting policies (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if applicable, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Institute. Gains and losses between the carrying amount and the disposal proceeds are taken to profit and loss.

Income Tax

The Institute has been granted an exemption from paying income tax under the Income Tax Assessment Act 1997, as amended and accordingly does not provide for income tax.

Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term. Associated costs such as maintenance and insurance are expensed as incurred.

Financial Assets

Financial assets are classified into the following categories: Held-to-maturity investments and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Institute has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

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 Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Impairment of Non-Financial 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 Statement of Profit or Loss and Other Comprehensive Income.

Trade and Other Receivables

Trade and other receivables are recorded at amortised cost less any allowance for expected credit losses.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

1. Significant accounting policies (continued)

Trade and Other Payables

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. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables includes the unearned portion of Members' subscriptions received.

Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Institute and the revenue can be readily measured. Revenue is measured at the fair value of the consideration received or receivable.

Services

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 are deferred as a liability or asset, as appropriate. (Note 5 – Trade and other receivables -Deferred expenses and Note 10 – Trade and other payables – unearned income).

Interest

Interest income is recorded on an accruals basis.

Employee Benefits

Short-term employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liability is settled.

Other long-term employee benefits

All other employee benefit liabilities not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on liquid corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expenses

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

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

1. Significant accounting policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call or under 3 months with banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Institute of Actuaries of Australia's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Goods and Services Tax (GST)

Revenues, expenses, liabilities and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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 were amortised over three years commencing from the middle of 2010. Enhancements to the software undertaken in 2014 were capitalised and amortised over a two-year period. Costs of a major reconfiguration of the Aptify Members' database incurred during the year are classified as work in progress and, when completed in 2020, will be amortised over a three-year period.

Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

1. Significant accounting policies (continued)

Current and non-current classification (continued)

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the normal operating cycle;
- it is primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Comparatives

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

New Accounting Standards effective from 1 January 2019

(i) AASB 16 Leases

The company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. As at the commencement of the reporting period an asset and a liability of \$1,313,309 was recognised. The right to use the lease item is depreciated over the remaining life of the asset and interest is added to the lease liability and lease payments applied as a reduction of the lease liability.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

1. Significant accounting policies (continued)

New Accounting Standards effective from 1 January 2019

| (a) Measurement of Liabilities | |
|--|------------------|
| | |
| | \$ |
| operating lease as at 31 December 2018 | 1,827,976 |
| Less rent, outgoings and cleaning | (389,873) |
| Impact of discounting commitment at company's incremental borrowing rate | (151,638) |
| Other | 26,844 |
| Lease liability | 1,313,309 |

(ii) AASB1058 Income of Not-for-profit Entities

The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Although members of the Institute provide volunteer services in an array of transactions the Institute has as an accounting policy choice elected not to recognise volunteer services accordingly there will be no impact to the financial statements.

New Accounting Standards issued but not yet effective and not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 December 2019. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires judgments, estimates and assumptions that affect the reported amounts in the financial statements. These judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses are reviewed. The judgments, estimates and

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2. Critical Accounting Judgments, Estimates and Assumptions (continued)

assumptions are based on historical experience and on other factors, including expectations of future events, and are considered to be reasonable for the purpose. The resulting accounting judgments, estimates and assumptions will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of useful lives of assets

The Institute determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated useful lives, or where technically obsolete or non-strategic assets that have been abandoned or sold are written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Institute assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Institute and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Long service leave provision

As discussed in Note 1, the liability for long service leave is recognised and measured as the present value of the estimated future cash flows to be made in respect of all employees at the reporting date expected to be settled more than 12 months from the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account. Expected future payments are discounted using market yields at the reporting date on liquid corporate bonds with terms to maturity and currency that match, as close as possible, the estimated future cash outflows.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

| | 31/12/2019 \$ | 31/12/2018 \$ |
|--|-------------------|------------------|
| 3. REVENUE AND EXPENSES | | |
| (a) Revenue | | |
| Revenue from operating activities | | |
| Member subscriptions | 3,925,974 | 3,592,402 |
| Education courses & exams and CPD | 5,422,425 | 4,152,099 |
| Events | 1,524,532 | 1,154,492 |
| Sale of publications and advertising | 108,168 | 155,194 |
| Total Revenue from operating activities | 10,981,099 | 9,054,187 |
| Revenue from non-operating activities | | |
| Credit card fees recovered | 89,853 | 120,067 |
| Interest received | 150,894 | 156,953 |
| Total Revenue from non-operating activities | 240,747 | 277,020 |
| Total Revenue | 11,221,846 | 9,331,207 |
| (b) Expenses | | |
| Specific activities costs | | |
| Member services costs | 492,076 | 99,455 |
| Member services HR costs (refer page 5) | - | 1,332,497 |
| Education courses & exams costs | 2,017,138 | 1,676,448 |
| Education strategy review (refer page 5) | 1,156,667 | 469,841 |
| Events costs | 1,144,806 | 699,659 |
| Sale of publications and advertising costs | 14,356 | 19,033 |
| | 4,825,043 | 4,296,933 |
| Supporting activities costs | | |
| Communications and marketing costs | 976,002 | 821,725 |
| Public policy & Professionalism costs | 602,869 | 438,709 |
| Research grants, scholarships and prizes | 500 | 4,000 |
| | 1,579,371 | 1,264,434 |
| Corporate administration costs | | |
| Employee costs | 1,307,895 | 1,432,836 |
| Council, presidents and committees | 186,471 | 147,150 |
| Premises | 42,549 | 612,639 |
| Rent and outgoings | 114,219 | - |
| Office & IT costs | 777,399 | 835,499 |
| Asian liaison costs | 327,236 | 166,832 |
| Audit, Legal and consulting fees, | 64,116 | 62,393 |
| Credit card and bank fees | 113,175 | 106,926 |
| Staff travel and accommodation costs | 73,245 | 53,615 |
| Depreciation and amortisation | 140,495 | 172,881 |
| Depreciation of Right-of-use of lease | 364,298 | - |
| Interest on lease liability | 67,829 | - |
| Unrealised currency differences | 1,710 | 7,525 |
| Realised currency differences | (31) | |
| Other costs | 11,373 | 15,609 |
| | 3,591,979 | 3,613,905 |
| Total Expenses | 9,996,393 | 9,175,272 |

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

| | 31/12/2019 \$ | 31/12/2018 \$ |
|---|------------------|------------------|
| 3. REVENUE AND EXPENSES (Continued) | | |
| (c) Expenses requiring additional disclosure | | |
| Amortisation and Depreciation of assets: | | |
| Leasehold improvements | 1,628 | 1,626 |
| Office equipment | 111,535 | 106,424 |
| Furniture and fittings | 5,223 | 5,222 |
| Computer software and website | 22,110 | 59,609 |
| | 140,496 | 172,881 |
| Amortisation of lease liability and fitout | | |
| Deferred fitout benefit | - | 93,054 |
| Lease liability | 364,298 | (98,478) |
| | 364,298 | (5,424) |
| Movement in provisions | | |
| Leave and entitlements (see note 12) | (129,437) | 389,116 |
| Doubtful debts | - | (856) |
| | (129,437) | 388,260 |
| Rental expenses on operating leases | | |
| Lease payments | 114,219 | 446,900 |
| | 114,219 | 446,900 |
| Remuneration of the auditors | | |
| Auditing the accounts | 27,900 | 27,600 |
| Other audit related services | - | - |
| | 27,900 | 27,600 |
| 4. CASH AND CASH EQUIVALENTS | | |
| Cash at bank and equivalents | 3,968,887 | 2,890,827 |
| Cash on hand | 400 | 400 |
| Cash at bank held in foreign currencies | 28,343 | 360,639 |
| | 3,997,630 | 3,251,866 |
| 5. TRADE AND OTHER RECEIVABLES | | |
| Interest receivable | 23,116 | 31,548 |
| Other income receivable | 20,669 | 11,156 |
| Less: allowance for expected credit loss | - | - |
| Deferred expenses | 591,321 | 438,149 |
| | 635,106 | 480,853 |

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

| | 31/12/2019 \$ | 31/12/2018 \$ |
|--|------------------|------------------|
| 6. FINANCIAL ASSETS - Current | | |
| Term deposits | 4,853,067 | 4,739,050 |
| | 4,853,067 | 4,739,050 |
| 7. NON-CURRENT ASSETS | | |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Leasehold improvements, at cost | 13,012 | 13,012 |
| Less: accumulated amortisation | (6,515) | (4,888) |
| | 6,497 | 8,124 |
| Computer and office equipment, at cost | 599,704 | 737,457 |
| Less: accumulated depreciation | (508,823) | (595,998) |
| | 90,881 | 141,459 |
| Furniture and fittings, at cost | 56,951 | 40,175 |
| Less: accumulated depreciation | (15,318) | (10,095) |
| | 41,633 | 30,080 |
| | 139,011 | 179,663 |

Movement in the Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

| | Leasehold Improvements \$ | Computer Equipment \$ | Furniture & Fittings \$ | Total \$ |
|-------------------------------------|---------------------------------|-----------------------------|-------------------------------|-------------|
| Balance at 1 January 2018 | 9,750 | 192,486 | 35,302 | 237,538 |
| Additions | - | 55,397 | - | 55,397 |
| Assets written off | | | | - |
| Depreciation / amortisation expense | (1,626) | (106,424) | (5,222) | (113,272) |
| Balance at 31 December 2018 | 8,124 | 141,459 | 30,080 | 179,663 |
| Additions | - | 60,957 | 16,776 | 77,733 |
| Assets written off | - | - | - | - |
| Depreciation / amortisation expense | (1,628) | (111,535) | (5,223) | (118,386) |
| Balance at 31 December 2019 | 6,496 | 90,881 | 41,633 | 139,010 |

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

| | 31/12/2019 \$ | 31/12/2018 \$ |
|---|------------------|------------------|
| 8. OTHER NON-CURRENT ASSETS | | |
| Right-of-use of Lease | 1,313,309 | - |
| Accumulated depreciation - right of use | (364,298) | |
| Deferred fit out benefit | - | 325,693 |
| | 949,011 | 325,693 |
| Changes from the impact of AASB16 | | |
| 9. INTANGIBLE ASSETS | | |
| Computer software, IT infrastructure and website, at cost | 1,180,106 | 1,161,387 |
| Less: accumulated amortisation | (1,039,429) | (1,017,319) |
| Less: impairment | (118,250) | (118,250) |
| WIP - IT software & Website | 795,929 | 527,376 |
| | 818,356 | 553,194 |

Movement in the Carrying Amounts

Movements in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year.

| | Work in Progress | Computer Software | Website | Total |
|-------------------------------------|------------------|-------------------|----------|----------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 January 2018 | 318,798 | 20,140 | 60,787 | 399,725 |
| Additions | 208,577 | - | - | 208,577 |
| Transfers | - | - | 4,500 | 4,500 |
| Assets written off | - | - | - | - |
| Depreciation / amortisation expense | - | (8,333) | (51,275) | (59,608) |
| Balance at 31 December 2018 | 527,375 | 11,807 | 14,012 | 553,194 |
| Additions | 268,552 | - | - | 268,552 |
| Transfers | - | - | 18,720 | 18,720 |
| Assets written off | - | - | - | - |
| Depreciation / amortisation expense | - | (8,333) | (13,777) | (22,110) |
| Balance at 31 December 2019 | 795,927 | 3,474 | 18,955 | 818,356 |

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

| | 31/12/2019 \$ | 31/12/2018 \$ |
|---|------------------|------------------|
| 10. TRADE AND OTHER PAYABLES | | |
| Unsecured: | | |
| Trade creditors, accruals and other payables | 478,983 | 436,280 |
| Enrolments and Registration fees received in advance | 499,705 | 680,835 |
| Deferred rent benefit | - | 93,055 |
| Unearned income (Membership subscriptions received in advance) | 2,943,425 | 2,710,850 |
| | 3,922,113 | 3,921,020 |
| 11. OTHER LIABILITIES | | |
| Current | | |
| Lease liability | 400,654 | - |
| Non current | | |
| Lease liability | 591,222 | 373,903 |
| Total other liabilities | 991,876 | 373,903 |
| Interest expense | 67,829 | - |
| Variable lease expenses | 114,219 | - |
| Total | 182,048 | - |

12. PROVISIONS

Employee entitlements

| Current | Bonuses | Annual Leave | Long Service Leave | Total |
|---------------------------------------|-----------|-----------------|-----------------------|-----------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 January 2018 | - | 159,999 | - | 159,999 |
| Increase in provision during the year | 243,960 | 244,440 | - | 488,400 |
| Transferred from non-current | - | - | - | - |
| Amounts used | - | (160,869) | - | (160,869) |
| Balance at 31 December 2018 | 243,960 | 243,570 | - | 487,530 |
| Increase in provision during the year | 67,950 | (182,866) | - | (114,916) |
| Transferred from non-current | - | - | 30,962 | 30,962 |
| Amounts used and/or reversed | (243,960) | 197,060 | - | (46,900) |
| Balance at 31 December 2019 | 67,950 | 257,764 | 30,962 | 356,676 |

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

12. PROVISIONS (continued)

Employee entitlements

| Non-current | Long Service Leave | Total |
|---------------------------------------|--------------------|----------------|
| Balance at 1 January 2018 | 51,224 | 51,224 |
| Increase in provision during the year | 61,586 | 61,586 |
| Transferred to current provision | - | - |
| Balance at 31 December 2018 | 112,810 | 112,810 |
| Increase in provision during the year | 32,378 | 32,378 |
| Transferred to current provision | (30,962) | (30,962) |
| Balance at 31 December 2019 | 114,226 | 114,226 |
| Total Provisions | | 470,902 |

The current provision for employee benefits includes all unconditional entitlements and the entire amount is presented as current other than with respect to long service leave, since the Institute does not have an unconditional right to defer settlement.

13. LEASING COMMITMENTS

| | | |
|---|-----------|-----------|
| Operating Leases | | |
| Lease rental expenses and commitments: | | |
| Rentals charged to Statement of Profit or Loss and Other Comprehensive Income | 114,219 | 446,900 |
| Lease commitments: | | |
| Not later than 12 months | 518,794 | 503,726 |
| Between 12 months and 5 years | 863,887 | 1,324,250 |
| Greater than 5 years | - | - |
| Total operating lease commitments | 1,382,681 | 1,827,976 |

See note 23.

14. i RELATED PARTY AND RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2019

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

| | | |
|------------|------------------|---------------|
| H Bui | J Gribble | N Rubinsztein |
| A-M Cook | S Hui | D Whittle |
| A Doughman | A King | |
| J Gibbs | B Konstantinidis | |

(b) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 18.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

14. i RELATED PARTY AND RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2019 (Continued)

(c) During the year the Institute had transactions with various entities which had officers or employees who were Council members of the Institute. These transactions, for which a register is maintained, are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The transactions were as follows:

- ▶ payments totalling \$13,694 relating to reimbursement of catering costs were paid to KPMG (which is related to Hoa Bui and Jefferson Gibbs) for increased number of events held in their Melbourne office the facilities of which were provided free; and
- ▶ a payment of \$12,938 to KPMG (which is related to Hoa Bui and Jefferson Gibbs) in relation to consulting fees for lodging an application for payroll tax exemption.

(d) There were no other transactions with related parties during the year.

14. ii RELATED PARTY AND RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2018

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

| | | |
|------------|------------------|---------------|
| A Brown | J Evans | M O'Neill |
| H Bui | J Gibbs | C Qiao |
| A-M Cook | A King | B Rafe |
| A Doughman | B Konstantinidis | N Rubinsztein |

(b) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 18.

(c) During the year the Institute had transactions with various entities which had officers or employees who were Council members of the Institute. These transactions, for which a register is maintained, are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The transactions were as follows:

- ▶ a contract with lead.first. (which is related to Andrew Brown) in relation to services as presenter at the Institute's Commercial Actuarial Practice courses. The amount incurred during the year was \$2,200 including expenses reimbursements;
- ▶ a contract with Chao Qiao in relation to services as an examiner for the Institute's Part 3 exam. The amount incurred during the year was \$2,208;
- ▶ payments totalling \$1,286 relating to reimbursement of catering costs were paid to KPMG (which is related to Hoa Bui and Jefferson Gibbs) for events held in their Melbourne office the facilities of which were provided free; and
- ▶ payment to Pricewaterhousecoopers of \$75 relating to reimbursement of catering costs (which is related to Chao Qiao) for an event held in their Brisbane office.

(d) There were no other transactions with related parties during the year.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

15. 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:

| | 31/12/2019 | 31/12/2018 |
|---|------------|------------|
| Weighted Average Effective Interest Rate: | % | % |
| Financial Assets | | |
| Cash at banks | 1.33 | 1.48 |
| Term deposits | 2.02 | 2.42 |
| | \$ | \$ |
| Floating Interest Rate: Financial Assets | | |
| Cash at banks | 3,784,357 | 3,216,596 |
| Total Financial Assets | 3,784,357 | 3,216,596 |
| Non-Interest Bearing: Financial Assets | | |
| Cash at banks | 212,873 | 34,870 |
| Total Financial Assets | 212,873 | 34,870 |
| Fixed Interest Rate maturing within 1 year: Financial Assets | | |
| Cash at banks | - | - |
| Term deposits | 4,853,067 | 4,739,050 |
| Total Financial Assets | 4,853,067 | 4,739,050 |

(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 creditworthy 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 Statement of Financial Position and in the notes to the financial statements.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

15. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity Risk

Liquidity risk arises from the Institute's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain a liquid asset ratio of at least 1.25:1.

Council receives on a quarterly basis information regarding cash balances and liquidity ratios. At the balance sheet date, these projections indicated that the Institute expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Maturity analysis of financial assets and liability based on management's expectations

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property and equipment, intangibles and investments in working capital. These assets are considered in the Institute's overall liquidity risk.

| Maturity Analysis - 2019 | Cash flows | 1 year | 2-5 years | Total | Carrying Amount |
|--|------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | 3,997,630 | 3,997,630 | - | 3,997,630 | 3,997,630 |
| Other income receivables - net | 20,669 | 20,669 | - | 20,669 | 20,669 |
| Term deposits with accrued interest | 4,892,172 | 4,892,172 | - | 4,892,172 | 4,876,183 |
| TOTAL | 8,910,471 | 8,910,471 | - | 8,910,471 | 8,894,482 |
| Financial liabilities | | | | | |
| Trade creditors, accruals and other payables | 478,983 | 478,983 | - | 478,983 | 478,983 |
| Lease liabilities | 991,876 | 400,654 | 591,222 | 991,876 | 591,222 |
| TOTAL | 1,470,859 | 879,637 | 591,222 | 1,470,859 | 1,070,205 |
| NET MATURITY | 7,439,612 | 8,030,833 | (591,222) | 7,439,611 | 7,824,277 |

Lease liabilities calculated under AASB16 which is effective from 1 January 2019

Maturity Analysis - 2018

| | | | | | |
|--|------------------|------------------|--------------------|------------------|------------------|
| Financial assets | | | | | |
| Cash and cash equivalents | 3,251,866 | 3,251,866 | - | 3,251,866 | 3,251,866 |
| Other income receivables - net | 11,156 | 11,156 | - | 11,156 | 11,156 |
| Term deposits with accrued interest | 4,795,278 | 4,795,278 | - | 4,795,278 | 4,770,599 |
| TOTAL | 8,058,300 | 8,058,300 | - | 8,058,300 | 8,033,621 |
| Financial liabilities | | | | | |
| Trade creditors, accruals and other payables | 436,280 | 436,280 | | 436,280 | 436,280 |
| Lease liabilities | 1,405,837 | 388,510 | 1,017,328 | 1,405,838 | 466,959 |
| TOTAL | 1,842,117 | 824,790 | 1,017,328 | 1,842,118 | 903,239 |
| NET MATURITY | 6,216,183 | 7,233,510 | (1,017,328) | 6,216,182 | 7,130,382 |

Lease liabilities calculated under AASB117 which is superseded by AASB16 effective from 1 January 2019

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

15. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Net Fair Values

Unless otherwise stated, financial assets and financial liabilities are measured at fair value in the Statement of Financial Position.

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

(f) 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 foreign currency holdings of \$28,342 (2018: \$360,639) with exposure to currency risk.

Sensitivity analysis

The following table illustrates sensitivities to the Institute's exposures to changes in interest rates and currency fluctuations. 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 31/12/2019 | | | |
| +/- 1% in interest rates | +/- | 86,309 | 86,309 |
| Year ended 31/12/2018 | | | |
| +/- 1% in interest rates | +/- | 76,299 | 76,299 |
| Year ended 31/12/2019 | | | |
| +/- 5% in currency fluctuations | +/- | 1,492 | 1,492 |
| Year ended 31/12/2018 | | | |
| +/- 5% in currency fluctuations | +/- | 18,981 | 18,981 |

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

16. 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 Statement of Financial Position as follows:

| | 31/12/2019 \$ | 31/12/2018 \$ |
|---|------------------|------------------|
| Cash | 3,997,630 | 3,251,866 |
| Reconciliation of Cash Flow from Operations with Net | | |
| (b) Surplus/(Deficit) | | |
| Net Surplus | 1,225,463 | 155,935 |
| Non-Cash Flows in Surplus | | |
| Depreciation and amortisation | 118,385 | 172,881 |
| Amortisation of intangibles | 22,110 | (3,314) |
| Depreciation of right-of-use of asset | 364,298 | |
| AASB16 adjustment to retained earnings | 146,771 | |
| Changes in Assets and Liabilities | | |
| (Increase)/Decrease in income receivable | (154,253) | 14,324 |
| (Increase)/Decrease in prepaid expenses | 325,693 | (145,555) |
| (Increase)/Decrease in other provisions | (129,437) | 389,116 |
| (Decrease)/Increase in trade and other payables | 1,093 | (224,339) |
| (Decrease)/Increase in other liabilities | (373,904) | 553,422 |
| Net cash from (used in) by operating activities | 1,546,219 | 912,469 |

17. MEMBERS' GUARANTEE

The Institute is incorporated under the *Corporations Act 2001 (Cth)* and is a company limited by guarantee. If the Institute is wound up, the Constitution states that each Member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 31 December 2019 the total amount that Members of the Institute are liable to contribute if the Institute is wound up is \$99,880 (2018: \$94,800).

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

18. EMPLOYEE BENEFITS AND KEY MANAGEMENT PERSONNEL COMPENSATION

The directors of the Institute of Actuaries of Australia are members of the Council as listed in Note 14. Councillors, in their capacity as directors, do not receive remuneration.

The aggregate compensation made to 4 (2018: 5) key management personnel is set out below:

| | Termination payments | Short-term benefits | Post- employment benefits | Other long-term benefits | Total |
|------|-------------------------|------------------------|---------------------------------|--------------------------------|---------|
| | \$ | \$ | \$ | \$ | \$ |
| 2019 | - | 882,526 | 33,801 | 14,818 | 931,145 |
| 2018 | - | 889,711 | 58,704 | 33,797 | 982,212 |

The aggregate compensation made to all employees is set out below:

| | Termination payments | Short-term benefits | Post- employment benefits | Other long-term benefits | Total |
|------|-------------------------|------------------------|---------------------------------|--------------------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| 2019 | - | 3,726,812 | 305,172 | 40,184 | 4,072,168 |
| 2018 | - | 3,104,405 | 240,371 | 61,585 | 3,406,361 |

The post-employment benefit comprises superannuation contributions payable in accordance with Superannuation Guarantee legislation.

Increase in benefits is principally due to the engagement of actual educators under the education strategy review

[Related party transactions:](#)

Related party transactions are set out in Note 14.

19. SEGMENT INFORMATION

The Institute principally operates in Australia to provide members of the actuarial profession with education, continuing professional development, public representation and other services. The Institute conducts continuing professional development and other Member-related events outside of Australia.

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

20. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by UHY Haines Norton, the auditor of the Institute:

| Audit services – UHY Haines Norton | 2019 (\$) | 2018 (\$) |
|------------------------------------|-----------|-----------|
| Audit of the financial statements | 27,845 | 27,900 |

21. INSTITUTE DETAILS

The registered office of the Institute is: Level 2, 50 Carrington Street, SYDNEY NSW 2000.

22. CONTINGENT LIABILITIES

There are no contingent liabilities at 31 December 2019 (2018: \$0).

23. COMMITMENTS

The Institute has commitments totalling:

- (a) \$1,280,720 (2018: \$1,757,446) for an eight-year lease signed on 28 January 2014 to occupy Suite 201, Level 2, 50 Carrington Street, Sydney commencing 1 July 2014 and expiring on 30 June 2022 (including estimate outlay for outgoings and cleaning). A bank guarantees to secure the Institute's obligations under the new lease totalling \$299,055 which is secured by a term deposit of \$300,000 has been issued by the ANZ Bank (see Note 13);
- (b) \$95,532 (2018: \$67,520) for leasing of photocopying equipment payable over the next 4 years (see Note 13); and
- (c) \$534,671 (2018: \$249,491) for venue hire relating to events scheduled for 2020 and beyond; and
- (d) \$1,260 (2018: \$3,010) for leasing of telephone lines payable over the next 10 months

The Institute has capital commitments totalling \$0 (2018: \$68,826) for consulting services for the completion of modifications to the Institute's Aptify Member database during 2019.

24. EVENTS AFTER THE REPORTING PERIOD

Since the end of the financial year a global outbreak of the COVID-19 novel coronavirus has and is continuing to occur. The Institute is unable to determine and measure any financial impact this may have on the operations of the Institute. No other 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 2019.