



**Actuaries  
Institute.**

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**THE INSTITUTE OF ACTUARIES OF AUSTRALIA  
FINANCIAL REPORT AND COUNCIL'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023.

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 2023

#### The Institute's Vision and Mission

We raise the standing of actuaries by providing rigorous standards and integrity that sets our profession apart. Through the examination of ideas, the provision of quality education and the connection of people, across all practice areas and industries, we help actuaries build successful careers as crucial critical thinkers, and data driven objective advisors.

#### Strategy for achieving the Vision and Mission

The Institute is committed to promoting and maintaining a high standard of actuarial practice, both for the protection of the public and the reputation of the actuarial profession. The Institute does this by providing quality practice guidance, educational courses, public policy and maintaining and enforcing strict professional standards to ensure compliance to education and practice guidance.

#### 2022-2024 Strategic Plan

The strategy that has been set out is based on four key strategic priorities:

- Social purpose and brand.
- Member value proposition.
- Professional qualification, certification, and lifelong learning.
- Opportunity and growth.

We know that a community of actuaries that understands and supports this strategy is vital to success. We know that a profession that is growing its membership – and promoting its influence – is one that captures more opportunities for its members. As we look at the history, diversity, adaptability, and integrity of our members we see a future full of possibilities. We know that our profession can realise those possibilities and make the world a better place by doing so.

Actuaries have such an important role to play. The mastery of data, ability to harvest its insights, and commercial mindset, means that actuaries can help organisations, government, and communities with advice that drives change and solutions that work. Add to all these skills a commitment to integrity, and an ability to balance competing interests, and it's clear we have an important role to play.

The simple truth underpinning the strategy, "**Actuaries use data for good**".

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### The principal activities of the Institute are:

- maintaining a high standard of actuarial practice, both for the protection of the public and the reputation of the actuarial profession.
- providing qualifications for Actuaries (FIAA and AIAA);
- provision of education courses and exams, and the provision of CPD;
- running of 1-2 major events per year which, in turn, allow for the running of many smaller events like half day and Insights sessions.
- developing thought leadership and promoting the views of the profession to key decision makers; and
- providing professional standards and other relevant information and services to Members through active communication.

### Operational highlights for 2023

The following items represent the highlights for the year, encapsulating moments that promoted the actuarial profession, provided actuaries with sense of community purpose, were key operational highlights and lifted the standard of the actuarial profession through education and learning.

Elevating Australia, globally at ICA2023 in Sydney, with 1,500+ actuaries from 86 countries attending, 6 plenary sessions, 54 concurrent sessions with 400+ speakers, 5 social events and 9 meet-ups.

78% membership satisfaction score was achieved in the 2023 survey. 90% of members were satisfied with the global recognition of their actuarial designation and 83% with the information updates and CPD opportunities.

800 volunteers equating to 14% of the membership, across ICA2023, IDSS, Practice and Working Groups,

Public Policy, Actuaries Digital, amongst others. 5,600+ visionary members in our diverse community across areas such as insurance, superannuation, finance, banking, data science, technology, government telecoms and health.

20+ Submissions to government/policy makers across a breadth of practice, showcasing actuarial excellence with a reach of 95m across a range of topics including inequality, home insurance affordability, COVID mortality, ICA2023 and retirement.

Increased enrolments in the Actuary Program.

Igniting change, 25+ policy discussions with ministers, regulators, industry groups and more.

A rebrand to reflect the modern actuary with nearly half our members aged under 35 and 19% based overseas. The new brand seeks to reflect growth areas such as climate risk and data science, and visually communicates social purpose and impact.

The world-first launch of Data Science Actuary nomenclature,

Bringing our community together with 3 major events, 24 insight sessions, 2 Appointed Actuaries meetings, 12 YAP events, 3 graduation dinners, 11 retired actuaries gatherings, 11 Presidential dinners, and our mentorship program with 72 participants.

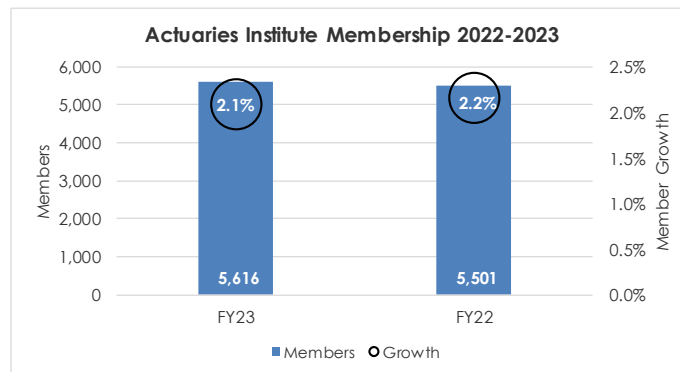
100+ abstracts received a record number for the All Actuaries Summit 2024.

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### Review of operations

2023 is the third full year operating under the new education curriculum model (2021 was the first full year). During this time there been steady growth in education enrolments and membership (represented by the charts below). These activities have continued to deliver a solid and consistent operating base to support the strategic initiatives of the profession. The financial highlight for the year was the seamless delivery of ICA2023 (International congress for actuaries) whilst supporting normal operations for the year.



Underlying growth in revenue (excluding ICA2023 event revenue) was driven by enrolments and membership (depicted above).

### 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:

- Fund the 2022-2024 strategic plan from strategic reserves.
- At the outset, set budgets to utilise the strategic reserve which will entail budgets that operate at a loss. Reporting will clearly identify normal operating budget and the additional strategic spend.
- Maintain reserves at levels within the Financial Management Policy.

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

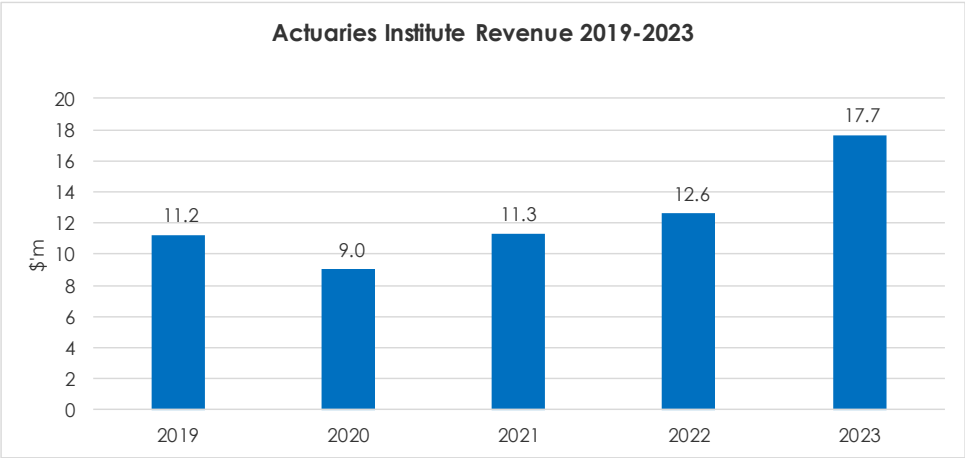
### Performance measure

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.

### Year on Year Operating Revenue

Total revenue was \$17,663K (2022: \$12,595k) and total expenses was \$17,445k (2022: \$13,030k) with the operating result for the year \$218k (2022: \$(435)k). Details of the revenue and expenses are reported in note 3 in 'Notes to the Financial Statements'.



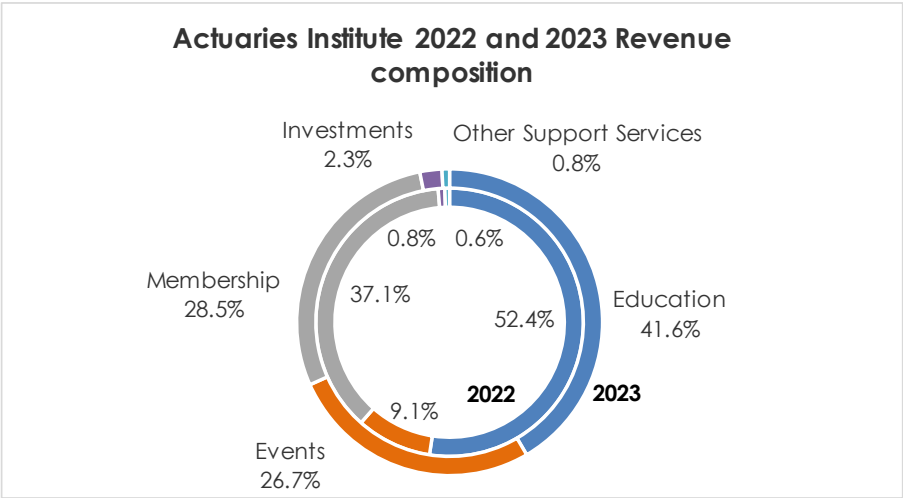
The chart above representing revenue shows the dip in 2020 due to Covid-19, the first full year of the new curriculum in 2021 and the subsequent increase thereafter. The one off, successful ICA2023 generated \$4.1m in revenue and has increasing gross revenue for 2023. As part of the gross revenue increase for 2023, education and membership gross revenue grew 11% and 8% respectively, a strong result showing the continued success of the new curriculum and continued success of attracting new actuaries.

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

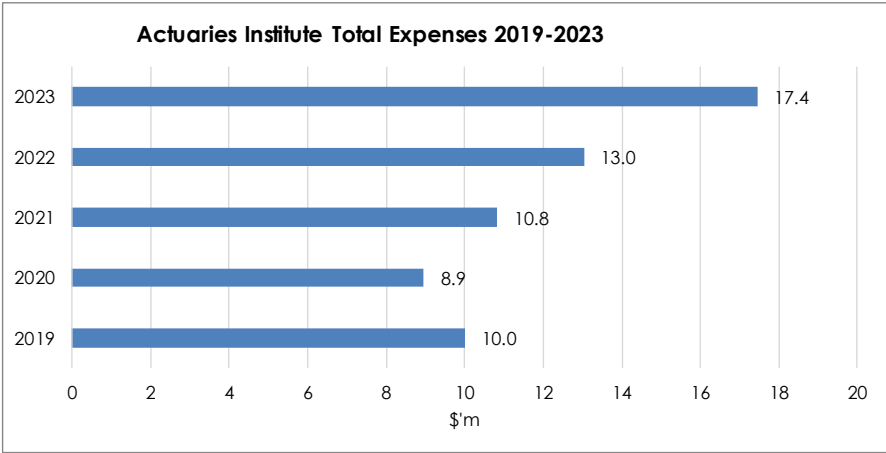
### Revenue composition change

Referring to the chart below, Education revenue comprises 41.6% of total revenue and Membership 28.5%. The reduction in membership and education as a percentage of overall revenue is due to event revenue increasing for the ICA2023.



### Year on Year Operating Expenses

Total expenses increased in 2023 by \$4,414k. The bulk of the increase in expenditure was due to ICA2023 \$3,018k; \$680k in education (matching increased revenue); and \$664k in marketing and communications (in line with increasing business support and submissions across a breadth of practice, showcasing actuarial excellence initiatives). There was also expenditure of \$1,468k (compared to \$1,719k for 2022) for strategic projects underpinning the 2022-24 strategic plan. These projects include new subject areas such as data science and banking supporting the actuaries learning and development pathway; growth in data science initiatives; Rebrand and actuarial brand campaign; and IT improvements aimed at improved transaction and web member experience.



## Report of Council

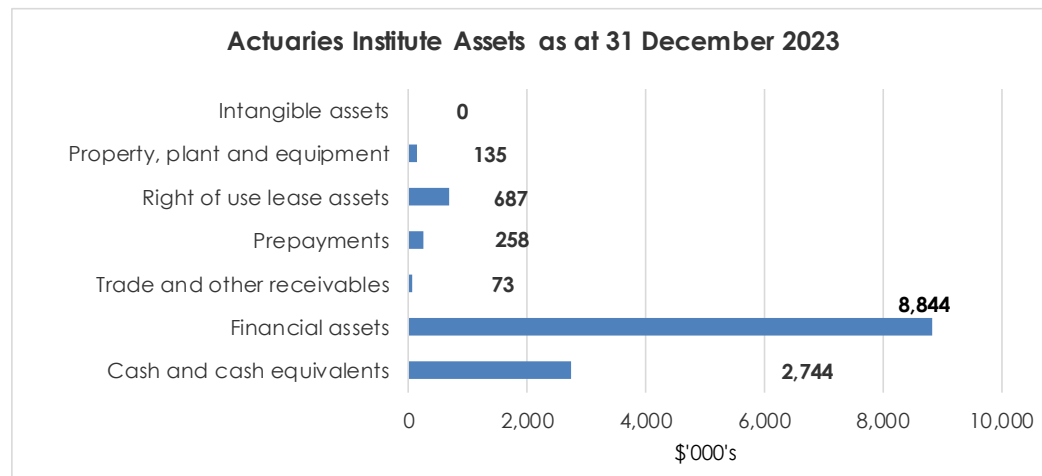
### THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

#### Review of Financial Condition

Member's funds increased from \$6,141k to \$6,358k during the year end 31 December 2023.

#### Assets

The following chart highlights the assets for each category as at 31 December 2023.



#### Property, Plant and Equipment and Intangibles

Plant and Equipment net assets of \$135k represent predominantly leasehold improvements and office equipment. The policy for the capitalisation of Intangible assets was changed in 2022 with all software and website expenditure now expensed rather than capitalised in line with accounting standards and representative of the cloud relationships with IT vendors.

#### Right of Use Lease Assets

Right of use assets are in respect to the premises lease (to June 2025) and leased photocopiers totalling \$687k.

#### Prepayments

Prepayments include deferred expenditure including event venue costs (includes the 2024 all actuaries summit and other small events) \$86k, prepaid software agreements \$108k and other expense prepayments of \$63k.

#### Trade and Other receivables

The balance of \$73k relates to accrued interest charges. Most of the Institute's dealings require payment in advance of the service and therefore receivables have a low or nil balance.

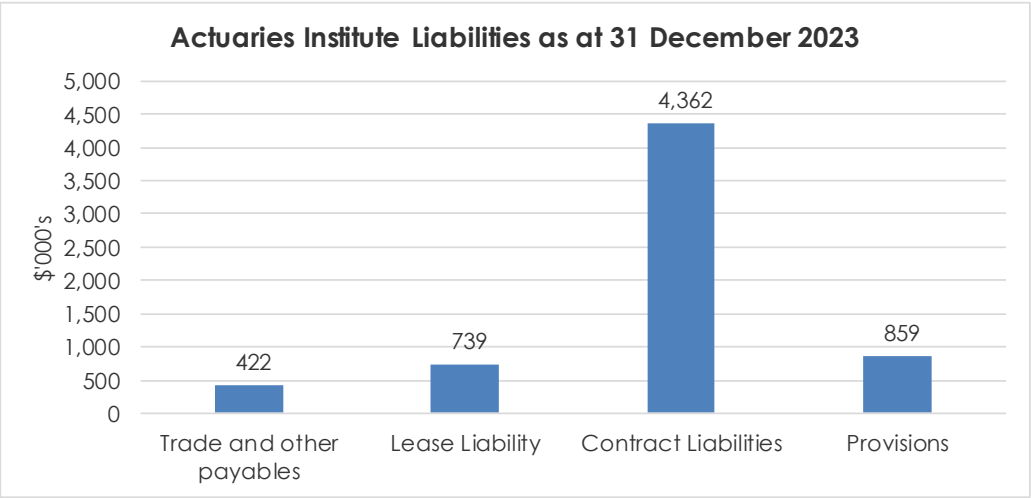


# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### Liabilities

The following chart highlights the Liabilities for each category as at 31 December 2023.



#### Trade and Other Payables

Represents normal accruals for operating expenses of the Institute and includes trade creditors, accruals and withholding tax.

#### Lease Liability

The lease liability of \$739k is for the property lease and lease for photocopiers and has a \$461k current liability and \$278k non-current liability.

#### Contract Liabilities

Contract liabilities relate to membership and events. \$3,823k is due to membership (the membership year is 1 October to 30 September and therefore has 9-month revenue deferral) and course and event deferred revenue of \$539k.

#### Provisions

Provisions primarily relate to staff annual and long service leave entitlements.

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### Reserves Policy

The reserving policy sets out two reserves – Business Continuity Reserve (BCR) and Strategic Reserves. The BCR target is set at 50% of yearly budgeted expenses, which provides a 6-month buffer to pivot the business. Strategic reserves are to accommodate expenditure on strategic transactions such as large technology upgrades or education initiatives. The value of these reserves is set each year using the budget, and at the start of 2023 are \$6,750K for the BCR and \$2,000k for strategic reserves. In the case of a liquidity event the BCR is available to cover members equity and the liability held in respect of deferred member fees is available to achieve this (refer note 19 members guarantee).

### Director Remuneration

Council members, in their capacity as directors, received no remuneration or other benefits, other than free attendance at the ICA2023 and reimbursement of travel related expenses to official functions and meetings. Since the end of the previous financial year, no member of Council who was a member of Council during 2023 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 16 to the Financial Statements.

### Indemnification and Insurance of Directors and Officers

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.

### Member's Guarantee

The Institute 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 2023 the total amount that Members of the Institute are liable to contribute if the Institute is wound up is \$112,320 (2022: \$110,020).

### Environmental regulation

The Institute's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory except to the extent of abiding by the orders and restrictions issued from time to time under the NSW Public Health Act.

### 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).

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### Anthony Asher B Bus Sc PhD FIAA

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Anthony Asher was an academic at the University of New South Wales from 2011 until October 2020, and now continues his research as Associate Professor. He has divided his working life between practice and academia. Living in Australia from 2003, he first served in the policy and research division of the Australian Prudential Regulation Authority and then as a consulting actuary with Deloitte. His early work in life insurance culminated in four years as Chief Actuary of a medium sized insurer in South Africa. He has also served a variety of other financial service organizations as consultant and director.

**Councillor**

1 January 2021 to 31 December 2023

**Council Committee service during 2023**

Member, Audit and Risk Council Committee

### Gregory Bird BEc FIAA CERA

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Greg is a qualified actuary with over 20 years of professional experience in the life insurance, wealth management and investment industries. He was the Chief Actuary and Chief Investment Officer for Resolution Life Australasia and the Appointed Actuary for AMP Life. Previously he was Chief Actuary for AMP Group, and has held roles in the areas of finance, risk management and strategy. He is currently a Partner with EY NZ. Greg has worked in Australia, New Zealand, India and the United Kingdom.

**Councillor**

1 January 2021 to 31 December 2023

**Council Committee service during 2023**

Education Council Committee

### Jeffrey Chan (Ming Chak Chan) FIAA

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Jeffrey is an actuary with more than 12 years of experience in data and analytics, helping clients to build end-to-end data solutions which result in significant business impact. He has served various industries in corporate, start up, and management consulting environments, including FMCG, retail, government, banking, insurance, and loyalty programs. He is currently part of the team at AIA HK. Jeffrey joined the Young Actuaries Advisory Board (YAAB) in 2020 and was the President of the YAAB in 2021.

**Councillor**

1 January 2023 to present

**Council Committee service during 2023**

Member, International Council Committee

### Elaine Collins FIAA, BSc(Hons), MEc, FAICD

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Elaine is a Non-Executive Director, having been on the Board of Zurich Insurance for ten years, currently holding four Boards roles: RACV, ANZLMI, ARPC and Ivory Insurance. She chairs Board Committees, including Risk, Audit, Customer and Pricing. At the same time, she is a Professor of Practice in the School of Risk & Actuarial with the UNSW Business School, enhancing linkages between the university and industry.

Elaine has 25+ years' insurance industry experience with expertise in capital efficiency, strategic risk and effective governance within organisations. Previously, Elaine spent over ten years in Appointed Actuary roles, firstly with KPMG, then as Partner of Deloitte. She served on several Institute Committees, including the GIPC and the Professional Practice Committee.

Elaine is committed to contributing to the Institute's strategic priorities, particularly our members' unique skills in deriving key insights from data analysis to business and the community.

**Councillor**

1 January 2024 to present

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### Naomi Edwards BSc (Hons) FIAA FAICD

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Naomi Edwards is a highly regarded professional company director. She has chaired listed ASX companies, industry super funds, and not-for-profits. An actuary by training, with an executive background in the financial services industry, Naomi has an Australia wide reputation in the financial services industry, having advised on many major life insurance and funds management acquisitions in Australia and New Zealand. She is a former partner of Deloitte, where she ran the Australian financial services Industry Group. Naomi also has a strong reputation in the responsible investing industry, having sat on the Boards of two ASX listed industry leaders – Australian Ethical Investment and Hunter Hall. She currently serves on the boards of TAL, Propel Funeral partners, Accuriam, Tasmanian Government DSG and Yarra Investment Management.

**Councillor**

1 January 2020 to 31 December 2023

**Council Committee service during 2023**

Member, Presidential Committee

Member, Nominations Council Committee

ICA 2023 Council Steering Committee

### John Maroney FIAA

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John is CEO of the Global Asia Insurance Partnership. His prior experience includes extensive senior management, Board and consulting roles in superannuation, insurance, Australian and international financial regulation, actuarial and risk management plus managing professional and industry associations. He has been employed by large and small employers and consultants, within the private and public sectors, within Australia and internationally and he also was self-employed for several years while he developed a successful consulting firm. Key prior roles include CEO of the Actuaries Institute, Australian Government Actuary and Head of Capital and Solvency at the International Association of Insurance Supervisors, which is hosted by the Bank for International Settlements in Basel, Switzerland.

**Councillor**

1 January 2023 to present

**Council Committee service during 2023**

Member, Public Policy Council Committee

### Alan Merten FIAA

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With a background including corporate general management roles in financial services in various countries across APAC, Alan is the Lead Partner for Deloitte Australia's Actuarial & Insurance Solutions offering. In that role, he leads multi-disciplinary teams to help clients improve performance of their businesses. His main area of focus is life insurance, and he has over 35 years' experience in broader financial services. This includes leading or consulting on the full value chain from customer and distribution, through to product and operations as well as the financial aspects of running businesses. #

**Councillor**

1 January 2022 to present

**Council Committee service during 2023**

Member, International Council Committee

### Maathu Ranjan FIAA

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Maathu is a qualified actuary with over twelve years' experience in the disability, general insurance and government sectors. She leads the Actuarial Strategic Initiatives team at the National Disability Insurance Agency (NDIA) assisting with the evaluation and delivery of key government initiatives and priorities. Maathu is a keen researcher, winning the Actuaries Institute Melville Prize and the International Actuarial Association's Bob Alting von Geusau Prize. She is currently pursuing a PhD on a topic of national significance as a Sir Roland Wilson scholar at the ANU.

**Councillor**

1 January 2023 to present

**Council Committee service during 2023**

Audit and Risk Council Committee

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### Scott Reeves FIAA

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Scott is the Head of Underwriting at Munich RE Australia, responsible for leading underwriting teams to deliver technical assessment of Property & Casualty reinsurance deals. As a Fellow of the Actuaries Institute, he has extensive experience in actuarial and non-actuarial roles over more than 30 years. This includes broader roles in reinsurance Client Management, business management in the GI sector, and in consulting outside of insurance. Scott has gained valuable cultural experience through working in Australia, pan-Asia, North America, and Europe.

**Councillor**

1 January 2022 to present

**Council Committee service during 2023**

Audit and Risk Council Committee Chair

### Jon Shen FIAA, CERA

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Jon is a Data Science Actuary who has designed and delivered successful AI initiatives across all areas of insurance and banking, including pricing, customer personalisation, claims operations, web and mobile app development, and intelligent automation. He believes actuaries have an integral role in managing the responsible use of AI in society.

Jon has actively participated in all aspects of the Actuaries Institute's data science strategy. He advocated for the inclusion of data science in the education program, wrote content for the Data Science Principles and Data Science Applications courses, and served as the independent examiner of these subjects. He has also contributed to public policy submissions on AI regulation in Australia and is a regular speaker in data conferences and podcasts.

In 2022, Jon was recognised as one of the Top 10 Analytics Leaders in Australia.

**Councillor**

1 January 2024 to present

### Win-Li Toh FIA, FNZSA, FIAA

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Win-Li is an actuary with more than 25 years of consulting experience in Australia, New Zealand, and the United Kingdom. She joined Taylor Fry in 2002 and is the Appointed Actuary to several Australian and New Zealand insurers.

She has a keen interest in cyber and the role of insurance in mitigating this risk. Win-Li was previously Chair of the Actuaries Institute General Insurance Practice Committee and joined the Board in 2022. She is a regular keynote speaker and facilitator on the general insurance landscape.

**Councillor**

1 January 2022 to present

**Council Committee service during 2023**

Member, Presidential Committee

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# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### **Brett Ward FIAA**

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Brett Ward is currently the Group Chief Actuary of IAG. Brett has spent his entire 30 plus working years as a general insurance actuary. From 1990 to 2000, Brett worked with actuarial consultancies including MIRA Consultants and KPMG Actuaries focusing on liability valuations, specialising in workers compensation. In 2000 he started his corporate career as the Chief Actuary at Royal & Sun Alliance, where he had responsibility for actuarial services in Australia and South-East Asian countries. Brett was the Chief General Insurance Actuary for Promina before joining IAG in 2007.

At IAG, Brett has held a variety of roles across pricing, risk and technology and Group strategy.

#### **Councillor**

1 January 2024 to present

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

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David is a seasoned actuary with 30 years' experience in the insurance industry, with executive roles in general and life insurance, multinational insurers and consulting firms. Having previously held the role of Chief Risk Officer for CBA's Wealth & Private business, as well as Chief Reserving Actuary for Zurich's Asia-Pacific general insurance business and Partner at KPMG, David is passionate about leading people in the management of insurance risk.

For David, his breadth of experience spanning reserving, pricing, underwriting, general management and risk management is a testament to his actuarial training which, combined with an ethos of embracing change, allowed him to follow a varied and fulfilling career path.

Having witnessed the diversity of opportunities available to actuaries and the impact their work can make, David is committed to fostering the growth of the actuarial profession to help shape the world of tomorrow.

#### **Councillor**

1 January 2019 to present

#### **Council Committee service during 2023**

Member, Presidential Committee

Member, ICA 2023 Council Steering Committee

Member, Professional Standards Council Committee

### **Company Secretary's qualifications and experience**

#### **Brad Sherringham BCom CPA**

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Company Secretary from 13 April 2021 to present.

Brad has been the Chief Financial Officer of the Institute since March 2021 having previously held a number of CFO positions and has been a member of CPA Australia for over 20 years.

# Report of Council

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

### Directors' attendance at Council and Council Committee meetings: 01/01/23 – 31/12/23

| Director  | Council | Audit and Risk Council Committee | Education Council Committee | International Council Committee | Nominations Council Committee | Presidential Committee | Public Policy Council Committee | ICA 2023 Council Steering Committee | Professional Standards Committee |
|-----------|---------|----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------------------|---------------------------------|-------------------------------------|----------------------------------|
| A Asher   | 5 of 5  | 4 of 4                           |                             |                                 |                               |                        |                                 |                                     |                                  |
| G Bird    | 5 of 5  |                                  | 4 of 4                      |                                 |                               |                        |                                 |                                     |                                  |
| J Chan    | 5 of 5  |                                  |                             | 2 of 2 <sup>3</sup>             |                               |                        |                                 |                                     |                                  |
| N Edwards | 5 of 5  |                                  |                             |                                 | 3 of 3                        | 4 of 4                 |                                 | 3 of 3                              |                                  |
| J Maroney | 5 of 5  |                                  |                             |                                 |                               |                        | 2 of 4                          |                                     |                                  |
| A Merten  | 5 of 5  |                                  |                             | 5 of 6                          |                               |                        |                                 |                                     |                                  |
| M Ranjan  | 5 of 5  | 4 of 4 <sup>1</sup>              |                             |                                 |                               |                        |                                 |                                     |                                  |
| S Reeves  | 5 of 5  | 4 of 4                           |                             |                                 |                               |                        |                                 |                                     |                                  |
| W Toh     | 3 of 5  |                                  |                             |                                 |                               | <sup>2</sup> 4 of 4    |                                 |                                     |                                  |
| D Whittle | 5 of 5  |                                  |                             |                                 |                               | 4 of 4                 | 4 of 4                          | 3 of 3                              | 6 of 7                           |

<sup>1</sup> Cr Ranjan Joined the Audit and Risk Committee In February 2023

<sup>2</sup> Cr Toh joined the Presidential Committee in January 2023

<sup>3</sup> Cr Chan joined the International Committee in June 2023

### 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 2023 has been received and can be found on page 16.

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



**D Whittle**  
President/Director  
Sydney 11 March 2024



**W Toh**  
Senior Vice President/Director

## Council and Audit Declarations

### THE INSTITUTE OF ACTUARIES OF AUSTRALIA DECLARATION BY MEMBERS OF COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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:



**D Whittle**

President/Director

Sydney, 11 March 2024



**W Toh**

Senior Vice President/Director



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**Grant Thornton Audit Pty Ltd**  
Level 17  
383 Kent Street  
Sydney NSW 2000  
Locked Bag Q800  
Queen Victoria Building NSW  
1230  
T +61 2 8297 2400

## Auditor's Independence Declaration

### To the Councillors of The Institute of Actuaries of Australia

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of The Institute of Actuaries of Australia for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



A J Archer  
Partner – Audit & Assurance

Sydney, 11 March 2024

**[www.grantthornton.com.au](http://www.grantthornton.com.au)**  
**ACN-130 913 594**

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## Independent Auditor's Report

### To the Members of The Institute of Actuaries of Australia – (the 'Institute')

#### Report on the audit of the financial report

##### 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 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Members of Council declaration.

In our opinion, the accompanying financial report of the Institute 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 2023 and of its performance for the year ended on that date; 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.

### Information other than the financial report and auditor's report thereon

The Members of Council 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 2023 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 Members of Council for the financial report

The Members of Council 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*. The Members of Council responsibility also includes such internal control as the Members of Council 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 Members of Council 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 Members of Council 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: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



A J Archer  
Partner – Audit & Assurance

Sydney, 11 March 2024

**THE INSTITUTE OF ACTUARIES OF AUSTRALIA**  
**STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

|   | Note | Year Ended<br>31/12/2023<br>\$ | Year Ended<br>31/12/2022<br>\$ |
|---|------|--------------------------------|--------------------------------|
| <b>Revenues</b>                                       |      |                                |                                |
| Member subscriptions                                  |      | 5,042,245                      | 4,672,091                      |
| Education courses & exams and CPD                     |      | 7,347,112                      | 6,601,525                      |
| Events revenue  |      | 4,720,549                      | 1,148,578                      |
| Interest income                                       |      | 410,694                        | 99,921                         |
| Other revenue   |      | 141,961                        | 73,185                         |
| <b>Total Revenue</b>                                  | 3    | <b>17,662,561</b>              | <b>12,595,300</b>              |
| <b>Expenses</b>                                       |      |                                |                                |
| Education   |      | (1,155,472)                    | (1,018,876)                    |
| Events  |      | (3,737,523)                    | (826,763)                      |
| Employee costs  |      | (6,487,477)                    | (5,473,372)                    |
| Other employee costs                                  |      | (1,104,845)                    | (783,768)                      |
| Office costs  |      | (288,098)                      | (327,917)                      |
| Depreciation and amortisation                         |      | (512,093)                      | (495,477)                      |
| Impairment of intangible assets                       |      | (110,960)                      | -                              |
| Communications & IT Services                          |      | (1,699,053)                    | (1,509,169)                    |
| Consultant fees                                       |      | (977,230)                      | (1,345,938)                    |
| Financial costs- bank and merchant fees               |      | (166,991)                      | (156,113)                      |
| Lease interest charges                                |      | (30,795)                       | (23,337)                       |
| Legal fees  |      | (141,957)                      | (312,596)                      |
| Recruitment fees & HR Advice                          |      | (161,723)                      | (251,513)                      |
| Subscriptions   |      | (231,972)                      | (235,511)                      |
| Other expenses  |      | (638,461)                      | (269,908)                      |
| <b>Total Expenses</b>                                 | 3    | <b>(17,444,650)</b>            | <b>(13,030,258)</b>            |
| <b>Surplus/(Deficit) before income tax expense</b>    |      | <b>217,911</b>                 | <b>(434,958)</b>               |
| Income tax expense                                    | 1    | -                              | -                              |
| <b>Surplus/(Deficit) after income tax expense</b>     |      | <b>217,911</b>                 | <b>(434,958)</b>               |
| <b>Other Comprehensive Income:</b>                    |      |                                |                                |
| Other Comprehensive Income for the period, net of tax |      | -                              | -                              |
| <b>Total Comprehensive Income for the period</b>      |      | <b>217,911</b>                 | <b>(434,958)</b>               |

The accompanying notes form part of these financial statements.

**THE INSTITUTE OF ACTUARIES OF AUSTRALIA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

|                                      | Note | 31/12/2023<br>\$  | 31/12/2022<br>\$  |
|--------------------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>                        |      |                   |                   |
| <b>CURRENT ASSETS</b>                |      |                   |                   |
| Cash and cash equivalents            | 4    | 2,743,910         | 7,370,340         |
| Trade and other receivables          | 5    | 72,756            | 27,454            |
| Prepayments                          | 6    | 257,719           | 1,446,873         |
| Financial assets                     | 7    | 8,843,693         | 4,991,549         |
| <b>Total current assets</b>          |      | <b>11,918,078</b> | <b>13,836,216</b> |
| <b>NON CURRENT ASSETS</b>            |      |                   |                   |
| Property, plant and equipment        | 8    | 135,376           | 93,727            |
| Right of use lease assets            | 9    | 687,238           | 1,084,785         |
| Intangible assets                    | 10   | -                 | 109,160           |
| <b>Total non-current assets</b>      |      | <b>822,614</b>    | <b>1,287,672</b>  |
| <b>TOTAL ASSETS</b>                  |      | <b>12,740,692</b> | <b>15,123,888</b> |
| <b>LIABILITIES</b>                   |      |                   |                   |
| <b>CURRENT LIABILITIES</b>           |      |                   |                   |
| Trade and other payables             | 11   | 422,144           | 451,600           |
| Lease liability                      | 12   | 461,058           | 435,471           |
| Contract liabilities                 | 13   | 4,362,048         | 6,710,350         |
| Provisions                           | 14   | 751,543           | 593,472           |
| <b>Total current liabilities</b>     |      | <b>5,996,793</b>  | <b>8,190,893</b>  |
| <b>NON CURRENT LIABILITIES</b>       |      |                   |                   |
| Provisions                           | 14   | 106,973           | 93,049            |
| Lease liability                      | 12   | 278,425           | 699,356           |
| <b>Total non-current liabilities</b> |      | <b>385,398</b>    | <b>792,405</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>6,382,191</b>  | <b>8,983,298</b>  |
| <b>NET ASSETS</b>                    |      | <b>6,358,501</b>  | <b>6,140,590</b>  |
| <b>MEMBERS' FUNDS</b>                |      |                   |                   |
| Retained surplus                     |      | 6,358,501         | 6,140,590         |
| <b>TOTAL MEMBERS' FUNDS</b>          |      | <b>6,358,501</b>  | <b>6,140,590</b>  |

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 2023**

|   | <b>31/12/2023</b> | <b>31/12/2022</b> |
|---|-------------------|-------------------|
|   | <b>\$</b>         | <b>\$</b>         |
| <b>Balance at 1 January</b>                         | <b>6,140,590</b>  | <b>6,575,548</b>  |
| Surplus after income tax expense for the year       | 217,911           | (434,958)         |
| Other comprehensive income for the year, net of tax | -                 | -                 |
| Total comprehensive income for the year             | 217,911           | (434,958)         |
| <b>Balance at 31 December</b>                       | <b>6,358,501</b>  | <b>6,140,590</b>  |

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 2023**

|  | <b>Note</b> | <b>31/12/2023</b>  | <b>31/12/2022</b> |
|--|-------------|--------------------|-------------------|
|  |             | <b>\$</b>          | <b>\$</b>         |
| CASH FLOWS FROM OPERATING ACTIVITIES           |             |                    |                   |
| Receipts from members and others               |             | 14,773,560         | 13,945,428        |
| Payments to suppliers and employees            |             | (15,421,900)       | (13,135,902)      |
| Other revenue                                  |             | 141,962            | 124,799           |
| Finance costs paid                             |             | (30,795)           | (23,337)          |
| Interest received                              |             | 351,392            | 89,258            |
| Net cash inflow from operating activities      | 18(b)       | (185,781)          | 1,000,246         |
| CASH FLOWS FROM INVESTING ACTIVITIES           |             |                    |                   |
| Payment for property, plant & equipment        |             | (120,191)          | (64,134)          |
| Payment for intangible assets                  |             | (1,800)            | (128,791)         |
| Gross receipts from (payments for) investments |             | (3,852,144)        | (51,017)          |
| Net cash outflow from investing activities     |             | (3,974,135)        | (243,942)         |
| CASH FLOWS FROM FINANCING ACTIVITIES           |             |                    |                   |
| Repayment of lease principal amounts           |             | (426,616)          | (388,144)         |
| Lease Interest Expense                         |             | (30,795)           | (23,337)          |
| Net cash outflow from financing activities     |             | (457,411)          | (411,481)         |
| <b>Net (decrease)/ increase in cash held</b>   |             | <b>(4,617,327)</b> | <b>344,823</b>    |
| Unrealised currency differences                |             | (9,104)            | (214)             |
| Cash at the beginning of year                  |             | 7,370,341          | 7,025,732         |
| <b>Cash at the end of year</b>                 | 4, 18(a)    | <b>2,743,910</b>   | <b>7,370,341</b>  |

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 2023

#### 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.

The financial statements for the year ended 31 December 2023 were authorised by the Board of Directors on 11 March 2024.

##### **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.

##### **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.

##### **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.

##### **Foreign currency translation**

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



# Notes to the Financial Statements

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 1. Significant accounting policies (continued)

##### 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.

##### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation of these 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 2023. 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 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.

Significant judgments, estimates and assumptions on expected credit loss, made by management in the preparation of this financial report are described in the various notes:

- Depreciation and amortisation – Note 8
- Capitalisation and recognition of intangibles – Note 10
- Contract liability - fees received in advance – Note 13
- Employee provisions – Note 14

**Notes to the Financial Statements**  
THE INSTITUTE OF ACTUARIES OF AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

|                                      | 31/12/2023<br>\$  | 31/12/2022<br>\$  |
|--------------------------------------|-------------------|-------------------|
| <b>3. REVENUE AND EXPENSES</b>       |                   |                   |
| Revenue                              |                   |                   |
| Revenue received over time           | 5,042,245         | 4,672,091         |
| Revenue at point of time             | 12,620,316        | 7,923,209         |
| <b>Total Revenue</b>                 | <b>17,662,561</b> | <b>12,595,300</b> |
| Other Revenue                        |                   |                   |
| Sale of publications and advertising | 91,309            | 72,771            |
| Sundry income from members           | 45,921            | 414               |
| Interest received                    | 410,694           | 99,921            |
| <b>Total Other Revenue</b>           | <b>547,924</b>    | <b>173,106</b>    |

For 2023, revenue includes \$6,710,349 (2022: \$5,135,452) included in the deferred revenue balance at the beginning of the period.

AASB 15 Revenue from Contracts with Customers ("AASB 15") establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers unless those contracts are in the scope of other standards. AASB 1058

Income of Not-for-Profit Entities simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15. This does not materially impact the presentation in the Institute's financial statements.

No revenue in the period related to performance obligations satisfied in the previous periods.

How we recognise revenue for these activities depends on when the performance obligation is satisfied:

- Over a period of time- if the performance obligation is satisfied over a period of time, revenue will be recognised by being spread over this period.
- At a point in time- if the performance obligation is satisfied at a point in time, for example, events are delivered, education programs are started and exams held, revenue is recognised at his point.

#### Membership subscriptions

Revenue is recognised over the duration of the term in line with the delivery of the performance obligations for this revenue stream. Fee receipts for periods beyond the current financial year are shown (excluding any applicable taxes) in the Statement of Financial Position, under the heading of Current liabilities as Contract liabilities – fees in advance. Revenue for late and readmission fees are recognised at a point in time when services are performed.

#### Course fees

Modules are offered over multiple terms and course fee revenue is recognised over the duration of the terms in line with the delivery of the performance obligations for this revenue stream. Revenue beyond the current financial year are shown in the Statement of Financial Position, under the headings of Current liabilities as Contract liabilities – fees in advance.

#### 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 11 – Trade and other payables – unearned income).

**Notes to the Financial Statements**  
THE INSTITUTE OF ACTUARIES OF AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

**Interest**

Interest income is recorded on an accruals basis.

| <b>3. (b) Expenses requiring additional disclosure</b> | <b>31/12/2023</b> | <b>31/12/2022</b> |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| Amortisation and Depreciation of assets:               |                   |                   |
| Leasehold improvements                                 | 24,145            | 40,279            |
| Office equipment                                       | 48,904            | 48,035            |
| Furniture and fittings                                 | 5,493             | 4,160             |
| Computer software and website                          | -                 | 331,857           |
|  | 78,542            | 424,331           |
| Amortisation of lease liability                        |                   |                   |
| Lease liability  | 433,552           | 400,652           |
|  | 433,552           | 400,652           |
| Movement in provisions                                 |                   |                   |
| Leave and entitlements (see note 12)                   | 171,995           | 178,181           |
| Doubtful debts   | -                 | -                 |
|  | 171,995           | 178,181           |
| Rental expenses on leases                              |                   |                   |
| Outgoings & cleaning                                   | 110,318           | 124,094           |
|  | 110,318           | 124,094           |
| Remuneration of the auditors                           |                   |                   |
| Auditing the accounts                                  | 46,500            | 30,200            |
|  | 46,500            | 30,200            |
| Impairment of assets                                   |                   |                   |
| Impairment of Intangible assets                        | 110,960           | -                 |
|  | 110,960           | -                 |

Unless otherwise identified, expenses are brought to account when goods or services have been received on an accrual's basis.

|   | <b>31/12/2023</b> | <b>31/12/2022</b> |
|---|-------------------|-------------------|
|   | <b>\$</b>         | <b>\$</b>         |
| <b>4. CASH AND CASH EQUIVALENTS</b>     |                   |                   |
| Cash at bank and equivalents            | 2,737,107         | 7,366,256         |
| Cash on hand                            | 400               | 400               |
| Cash at bank held in foreign currencies | 6,403             | 3,684             |
|   | 2,743,910         | 7,370,340         |

# Notes to the Financial Statements

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 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.

#### Trade and Other Receivables

|  | 31/12/2023    | 31/12/2022    |
|--|---------------|---------------|
| <b>5. TRADE AND OTHER RECEIVABLES</b>    | <b>\$</b>     | <b>\$</b>     |
| Interest receivable                      | 72,756        | 13,454        |
| Trade receivable                         | -             | 14,000        |
| Less: allowance for expected credit loss | -             | -             |
|  | <b>72,756</b> | <b>27,454</b> |

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

For trade receivables, the Institute applies a simplified approach in calculating ECLs. The Institute does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Trade receivables are non-interest bearing and are generally on 30-day terms.

#### 6. Prepayments - Current

|                  |                |                  |
|------------------|----------------|------------------|
| Prepaid expenses | 257,719        | 1,446,873        |
|                  | <b>257,719</b> | <b>1,446,873</b> |

Prepayments are carried at the original invoice amount for goods and services to be incurred after the year end.

#### 7. FINANCIAL ASSETS - Current

|               |                  |                  |
|---------------|------------------|------------------|
| Term deposits | 8,843,693        | 4,991,549        |
|               | <b>8,843,693</b> | <b>4,991,549</b> |

#### 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 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.

#### 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.

**Notes to the Financial Statements**  
THE INSTITUTE OF ACTUARIES OF AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

|  | 31/12/2023 | 31/12/2022 |
|--|------------|------------|
|  | \$         | \$         |
| <b>8. NON-CURRENT ASSETS</b>           |            |            |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>   |            |            |
| Leasehold improvements, at cost        | 144,820    | 77,662     |
| Less: accumulated amortisation         | (99,981)   | (75,837)   |
|  | 44,839     | 1,825      |
| Computer and office equipment, at cost | 784,925    | 731,893    |
| Less: accumulated depreciation         | (706,650)  | (657,746)  |
|  | 78,275     | 74,147     |
| Furniture and fittings, at cost        | 54,040     | 54,040     |
| Less: accumulated depreciation         | (41,778)   | (36,285)   |
|  | 12,262     | 17,755     |
|  | 135,376    | 93,727     |

**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<br>Improvements | Computer<br>Equipment | Furniture<br>& Fittings | Total    |
|-------------------------------------|---------------------------|-----------------------|-------------------------|----------|
|                                     | \$                        | \$                    | \$                      | \$       |
| Balance at 1 January 2022           | 27,355                    | 47,987                | 24,671                  | 100,013  |
| Additions                           | 1,886                     | 62,250                | -                       | 64,136   |
| Depreciation / amortisation expense | (27,416)                  | (36,090)              | (6,916)                 | (70,422) |
| Balance at 31 December 2022         | 1,825                     | 74,147                | 17,755                  | 93,727   |
| Additions                           | 67,159                    | 53,032                | -                       | 120,191  |
| Depreciation / amortisation expense | (24,145)                  | (48,904)              | (5,493)                 | (78,542) |
| Balance at 31 December 2023         | 44,839                    | 78,275                | 12,262                  | 135,376  |

**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.

**Impairment**

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.

## Notes to the Financial Statements

### THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 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 |

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.

#### Estimated Useful lives

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.

|   | 31/12/2023 | 31/12/2022 |
|---|------------|------------|
|   | \$         | \$         |
| <b>9. RIGHT OF USE LEASE ASSETS</b>     |            |            |
| Right-of-use of Lease                   | 1,331,318  | 1,368,340  |
| Accumulated depreciation - right of use | (644,080)  | (283,555)  |
|   | 687,238    | 1,084,785  |

Movements in the carrying amounts for each class of right-of-use lease between the beginning and the end of the current financial year.

|                                     | Premises  | Copier   | Total     |
|-------------------------------------|-----------|----------|-----------|
|                                     | \$        | \$       | \$        |
| Balance at 1 January 2022           | 172,591   | 49,671   | 222,262   |
| Additions                           | 1,263,175 | -        | 1,263,175 |
| Depreciation / amortisation expense | (383,121) | (17,531) | (400,652) |
| Balance at 31 December 2022         | 1,052,645 | 32,140   | 1,084,785 |
| Disposal                            | -         | (32,140) | (32,140)  |
| Additions                           | -         | 68,145   | 68,145    |
| Depreciation / amortisation expense | (421,058) | (12,494) | (433,552) |
| Balance at 31 December 2023         | 631,587   | 55,651   | 687,238   |

# Notes to the Financial Statements

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability. Lease payments associated with these leases are capitalised in accordance with AASB16. Associated costs such as maintenance and insurance are expensed as incurred.

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The Institute has reviewed all its leases and included any extensions where the Group assessed it is reasonably certain the lease agreement will be renewed.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Institute's incremental borrowing rate.

The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the Statement of Profit or Loss and Other Comprehensive Income in "Depreciation and amortisation". The unwind of the financial charge on the lease liabilities is recognised in the Statement of Profit or Loss and Other Comprehensive Income in "Finance costs" based on the Institute's incremental borrowing rate.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the Institute's incremental borrowing rate. The incremental borrowing rate used for this calculation is dictated by the tenor of the lease and the location of the asset. The incremental borrowing rate is the rate the Institute would be charged on borrowings, provided by our banking partners. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability.
- reducing the carrying amount to reflect the lease payments made.
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

|   | 31/12/2023 | 31/12/2022  |
|---|------------|-------------|
|   | \$         | \$          |
| <b>10. INTANGIBLE ASSETS</b>                              |            |             |
| Computer software, IT infrastructure and website, at cost | -          | 1,190,646   |
| Less: accumulated amortisation                            | -          | (1,081,486) |
|   | -          | 109,160     |

## Notes to the Financial Statements

### THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

beginning and the end of the current financial year.

|                                     | Computer<br>Software | Website | Total     |
|-------------------------------------|----------------------|---------|-----------|
|                                     | \$                   | \$      | \$        |
| Balance at 1 January 2022           | -                    | 4,772   | 4,772     |
| Additions                           | 128,790              | -       | 128,790   |
| Transfers                           | -                    | -       | -         |
| Depreciation / amortisation expense | (19,630)             | (4,772) | (24,402)  |
| Balance at 31 December 2022         | 109,160              | (0)     | 109,160   |
| Additions                           | 1,800                | -       | 1,800     |
| Assets written off                  | (110,960)            | -       | (110,960) |
| Balance at 31 December 2023         | 0                    | 0       | 0         |

#### Intangible and other assets

Management's judgement is applied to depreciation/ amortisation rates, useful lives and residual values. SaaS arrangements Note 13 describes the Institute's accounting policy in respect of configuration and customisation costs incurred in implementing SaaS arrangements. In applying the Group's accounting policy, the following key judgements may have an effect on the amounts recognised in the financial statements.

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

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received. Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software.

ii. Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, if the Institute has developed software code that enhances, modifies or creates additional capability to the existing owned software (this software is used to connect with the SaaS arrangement cloud-based application); Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 Intangible assets.



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|  | 31/12/2023 | 31/12/2022 |
|--|------------|------------|
|  | \$         | \$         |
| <b>11. TRADE AND OTHER PAYABLES</b>          |            |            |
| <b>Unsecured:</b>                            |            |            |
| Trade creditors, accruals and other payables | 422,144    | 451,600    |
|  | 422,144    | 451,600    |

**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, discounting was not considered in the amortised cost calculation. The amounts are unsecured and are usually paid within 30 days of recognition.

|   | 31/12/2023       | 31/12/2022       |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>12. Lease Liability</b>  |                  |                  |
| <b>Current</b>  |                  |                  |
| Right of Use lease Liability                                      | 461,058          | 435,471          |
| <b>Non Current</b>  |                  |                  |
| Right of Use lease Liability                                      | 278,425          | 699,356          |
|   | 739,483          | 1,134,827        |
| Interest expense  | 30,795           | 23,337           |
| Variable lease expenses   | 110,318          | 124,094          |
| <b>Total</b>  | <b>141,113</b>   | <b>147,431</b>   |
| <b>13. Contract Liabilities</b>                                   |                  |                  |
| <b>Current</b>  |                  |                  |
| Enrolments and Registration fees received in advance              | 539,256          | 3,159,407        |
| Unearned income<br>(Membership subscriptions received in advance) | 3,822,792        | 3,550,942        |
| <b>Total other liabilities</b>                                    | <b>4,362,048</b> | <b>6,710,349</b> |

Contract liability - fees in advance are carried at the original invoice amount for goods and services to be provided after the year end. It includes membership fees and course program enrolment fees.

The fees in advance includes annual members' subscriptions are for services that will be delivered in the financial year ending 31 December 2024.

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**14. PROVISIONS**

Employee entitlements

**Current**

|                                       | Bonuses    | Annual Leave | Long Service Leave | 31/12/2023<br>\$<br>Total |
|---------------------------------------|------------|--------------|--------------------|---------------------------|
|                                       | \$         | \$           | \$                 | \$                        |
| Balance at 1 January 2022             | 69,996 -   | 401,035 -    | 61,779             | 532,810                   |
| Increase in provision during the year | 76,992 -   | 288,175 -    | -                  | 365,167                   |
| Transferred from non-current          | - -        | - -          | 118,228            | 118,228                   |
| Amounts used                          | (69,996) - | (290,958) -  | (61,779)           | (422,733)                 |
| Balance at 31 December 2022           | 76,992     | 398,252      | 118,228            | 593,472                   |
| Increase in provision during the year | 83,104     | 525,347      | 97,694             | 706,145                   |
| Transferred from non-current          | -          | -            | -                  | -                         |
| Amounts used and/or reversed          | (77,340)   | (435,397)    | (35,337)           | (548,074)                 |
| Balance at 31 December 2023           | 82,756     | 488,202      | 180,585            | 751,543                   |

**Non-current**

|                                       | Long Service Leave | Total          |
|---------------------------------------|--------------------|----------------|
| Balance at 1 January 2022             | 143,823            | 143,823        |
| Increase in provision during the year | 103,976            | 103,976        |
| Amount paid on termination            | (36,522)           | (36,522)       |
| Transferred to current provision      | (118,228)          | (118,228)      |
| Balance at 31 December 2022           | 93,049             | 93,049         |
| Increase in provision during the year | 13,924             | 13,924         |
| Balance at 31 December 2023           | 106,973            | 106,973        |
| Total Provisions                      |                    | <b>858,516</b> |

|  | 31/12/2023<br>\$ | 31/12/2022<br>\$ |
|--|------------------|------------------|
| (a) Aggregate employee entitlement liability | 858,516          | 686,521          |
| Current                                      | 751,543          | 593,472          |
| Non-current                                  | 106,973          | 93,049           |
| (b) Number of employees at year end          | 42               | 42               |

Provisions are recognised when:

- there is a present obligation (legal or constructive) as a result of a past event.
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

**Notes to the Financial Statements**  
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**(a) Annual leave**

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

**(b) Long service leave**

The liability for long service leave is recognised in the provision for employee benefits. It is measured as the present value of expected future payments for services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date based on Australian high-quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

| <b>15. LEASING COMMITMENTS</b>  | <b>31/12/2023</b> | <b>31/12/2022</b> |
|---|-------------------|-------------------|
| Leases  | \$                | \$                |
| Lease rental expenses and commitments:  |                   |                   |
| Rentals charged to Statement of Profit or Loss and Other Comprehensive Income | 110,318           | 124,094           |
| Lease commitments:  |                   |                   |
| Not later than 12 months  | 461,058           | 435,471           |
| Between 12 months and 5 years   | 278,425           | 699,356           |
| Total lease commitments   | 739,483           | 1,134,827         |

See note 25.

**Notes to the Financial Statements**  
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**16. i RELATED PARTY AND RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

|           |           |           |
|-----------|-----------|-----------|
| A Asher   | J Maroney | W-L Toh   |
| G Bird    | A Merten  | D Whittle |
| J Chan    | M Ranjan  |           |
| N Edwards | S Reeves  |           |

- (b) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 20.

- (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 \$39,600 relating to consulting fees in relation to an inequality green paper were paid to Taylor Fry (which is related to Councillor Toh); and
- ▶ payments totalling \$13,000 relating to consulting fees in relation to first nations inequality paper were paid to Taylor Fry (which is related to Councillor Toh); and
- ▶ a payment of \$4,003 to Deloitte HK (which is related to Councillor Merten) in relation to a networking event in Hong Kong; and
- ▶ a payment of \$27,500 to Deloitte (which is related to Councillor Merten) in relation to consulting fees covering modelling to support the research paper on taxation of superannuation and retirement income.

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

**16. ii RELATED PARTY AND RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

|           |           |           |
|-----------|-----------|-----------|
| A Asher   | I Lun     | J Tan     |
| G Bird    | A Merten  | W-L Toh   |
| N Edwards | S Reeves  | D Whittle |
| A King    | D Stevens |           |

- (b) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 20.

- (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

## Notes to the Financial Statements

### THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The transactions were as follows:

- payments totalling \$44,000 relating to consulting fees in relation to a Cyber Risk green paper were paid to Taylor Fry (which is related to Councillor Toh); and
- payments totalling \$40,000 relating to consulting fees in relation to an Inequality green paper were paid to Taylor Fry (which is related to Councillor Toh); and
- a payment of \$292,450 to Deloitte (which is related to Councillor Merten) in relation to consulting fees for strategic business advice in relation to the Institute's strategic plan.

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

#### 17. 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, and the effective weighted average interest rates on financial assets and financial liabilities is set out in the following table:

|   | 31/12/2023 | 31/12/2022 |
|---|------------|------------|
| Weighted Average Effective Interest Rate:                           | %          | %          |
| <b>Financial Assets</b>   |            |            |
| Cash at banks   | 4.04       | 1.11       |
| Term deposits   | 3.69       | 0.44       |
|   | \$         | \$         |
| <b>Floating Interest Rate: Financial Assets</b>                     |            |            |
| Cash at banks   | 2,739,801  | 7,368,691  |
| Total Financial Assets  | 2,739,801  | 7,368,691  |
| <b>Non-Interest Bearing: Financial Assets</b>                       |            |            |
| Cash at banks   | 4,109      | 1,649      |
| Total Financial Assets  | 4,109      | 1,649      |
| <b>Fixed Interest Rate maturing within 1 year: Financial Assets</b> |            |            |
| Term deposits   | 8,843,693  | 4,991,549  |
| Total Financial Assets  | 8,843,693  | 4,991,549  |

##### (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.

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**17. 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.

| <b>Maturity Analysis - 2023</b>              | Cash flows<br>\$  | 1 year<br>\$      | 2-5 years<br>\$  | Total<br>\$       | Carrying<br>Amount<br>\$ |
|--|-------------------|-------------------|------------------|-------------------|--------------------------|
| Financial assets                             |                   |                   |                  |                   |                          |
| Cash and cash equivalents                    | 2,743,910         | 2,743,910         | -                | 2,743,910         | 2,743,910                |
| Other income receivables - net               | 0                 | 0                 | -                | 0                 | 0                        |
| Term deposits with accrued interest          | 8,916,449         | 8,916,449         | -                | 8,916,449         | 8,843,693                |
| <b>TOTAL</b>                                 | <b>11,660,359</b> | <b>11,660,359</b> | <b>-</b>         | <b>11,660,359</b> | <b>11,587,603</b>        |
| Financial liabilities                        |                   |                   |                  |                   |                          |
| Trade creditors, accruals and other payables | 422,144           | 422,144           | -                | 422,144           | 422,144                  |
| Lease liabilities                            | 739,483           | 461,058           | 278,425          | 739,483           | 739,483                  |
| <b>TOTAL</b>                                 | <b>1,161,627</b>  | <b>883,202</b>    | <b>278,425</b>   | <b>1,161,627</b>  | <b>1,161,627</b>         |
| <b>NET MATURITY</b>                          | <b>10,498,733</b> | <b>10,777,158</b> | <b>(278,425)</b> | <b>10,498,733</b> | <b>10,425,977</b>        |
| <b>Maturity Analysis - 2022</b>              |                   |                   |                  |                   |                          |
| Financial assets                             |                   |                   |                  |                   |                          |
| Cash and cash equivalents                    | 7,370,340         | 7,370,340         | -                | 7,370,340         | 7,370,340                |
| Other income receivables - net               | 14,000            | 14,000            | -                | 14,000            | 14,000                   |
| Term deposits with accrued interest          | 5,005,004         | 5,005,004         | -                | 5,005,004         | 4,991,549                |
| <b>TOTAL</b>                                 | <b>12,389,344</b> | <b>12,389,344</b> | <b>-</b>         | <b>12,389,344</b> | <b>12,375,889</b>        |
| Financial liabilities                        |                   |                   |                  |                   |                          |
| Trade creditors, accruals and other payables | 451,599           | 451,600           |                  | 451,600           | 451,600                  |
| Lease liabilities                            | 1,134,827         | 435,471           | 699,356          | 1,134,827         | 1,134,827                |
| <b>TOTAL</b>                                 | <b>1,586,426</b>  | <b>887,071</b>    | <b>699,356</b>   | <b>1,586,427</b>  | <b>1,586,427</b>         |
| <b>NET MATURITY</b>                          | <b>10,802,918</b> | <b>11,502,273</b> | <b>(699,356)</b> | <b>10,802,917</b> | <b>10,789,462</b>        |

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 17. 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 £3,435GBP, \$6,402AUD (2022 £2,072GBP, \$3,684AUD) 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 (\$) |
|---------------------------------|--------------|-------------|
| <b>Year ended 31/12/2023</b>    |              |             |
| +/- 1% in interest rates        | +/- 27,435   | 27,435      |
| <b>Year ended 31/12/2022</b>    |              |             |
| +/- 1% in interest rates        | +/- 73,699   | 73,699      |
| <b>Year ended 31/12/2023</b>    |              |             |
| +/- 5% in currency fluctuations | +/- 320      | 320         |
| <b>Year ended 31/12/2022</b>    |              |             |
| +/- 5% in currency fluctuations | +/- 37       | 37          |

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**18. 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:

|  | <b>31/12/2023</b> | <b>31/12/2022</b> |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| Cash   | 2,743,910         | 7,370,340         |
| <b>Reconciliation of Cash Flow from Operations -</b> |                   |                   |
| <b>(b) Net cash (used in)/ from operations</b>       |                   |                   |
| Net Surplus  | 217,911           | (434,958)         |
| Non-Cash Flows in Surplus                            |                   |                   |
| Depreciation and amortisation                        | 78,542            | 70,421            |
| Amortisation of intangibles                          | -                 | 24,403            |
| Impairment of intangible assets                      | 110,960           | -                 |
| Depreciation of right-of-use of asset                | 433,552           | 400,651           |
| Interest on lease liability                          | 30,795            | 23,337            |
| Surplus from leased asset                            | (4,734)           |                   |
| Unrealised currency differences                      | 9,104             | 214               |
| Changes in Assets and Liabilities                    |                   |                   |
| (Increase)/Decrease in income receivable             | (45,301)          | 92,943            |
| (Increase)/Decrease in prepaid expenses              | 1,189,154         | (718,604)         |
| (Decrease)/Increase in trade and other payables      | (29,458)          | (42,947)          |
| (Decrease)/Increase in provisions                    | 171,995           | 9,888             |
| (Decrease)/Increase in prepaid revenue               | (2,348,301)       | 1,574,897         |
| Net cash from (used in) by operating activities      | (185,781)         | 1,000,245         |

**19. 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 2023 the total amount that Members of the Institute are liable to contribute if the Institute is wound up is \$112,320 (2022: \$110,020).

**20. 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 16. Councillors, in their capacity as directors, do not receive remuneration.



## Notes to the Financial Statements

### THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

The aggregate compensation made to 6 (2022: 7) key management personnel is set out below:

|      | Termination<br>payments | Short-term<br>benefits | Post-<br>employment<br>benefits | Other<br>long-term<br>benefits | Total     |
|------|-------------------------|------------------------|---------------------------------|--------------------------------|-----------|
|      | \$                      | \$                     | \$                              | \$                             | \$        |
| 2023 | -                       | 1,655,574              | 157,936                         | 118,947                        | 1,932,457 |
| 2022 | -                       | 1,541,328              | 124,210                         | 138,355                        | 1,803,893 |

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

|      | Termination<br>payments | Short-term<br>benefits | Post-<br>employment<br>benefits | Other<br>long-term<br>benefits | Total     |
|------|-------------------------|------------------------|---------------------------------|--------------------------------|-----------|
|      | \$                      | \$                     | \$                              | \$                             | \$        |
| 2023 | 36,597                  | 5,935,062              | 667,650                         | 168,611                        | 6,807,920 |
| 2022 | -                       | 5,034,709              | 380,182                         | 72,922                         | 5,487,813 |

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

Related party transactions:

Related party transactions are set out in Note 16.

#### 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 and paid each month on the day payroll paid.

# Notes to the Financial Statements

## THE INSTITUTE OF ACTUARIES OF AUSTRALIA

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 21. SEGMENT INFORMATION

The Institute principally operates in a single segment within 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.

#### 22. REMUNERATION OF AUDITORS

. The following fees were paid or payable for services provided by Grant Thornton:

|  | 2023 (\$) | 2022 (\$) |
|--|-----------|-----------|
| Audit of the financial statements        | 46,500    | 42,000    |
| Document discovery, transfer of auditors |           | 5,000     |
| <b>Other services</b>                    |           |           |
| Review of finance system upgrade         | 5,000     |           |
| Merchant fee review                      | 25,000    |           |

#### 23. INSTITUTE DETAILS

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

#### 24. CONTINGENT LIABILITIES

There are no contingent liabilities at 31 December 2023 (2022: \$0) that can be reliably measured.

#### 25. COMMITMENTS

The Institute has commitments totalling:

- (a) \$894,227 (2022: \$1,448,444) for the balance of a three-year lease to occupy Suite 201, Level 2, 50 Carrington Street, Sydney commencing 1 July 2022 and expiring on 30 June 2025 (including estimate outlay for outgoings and cleaning). A bank guarantees to secure the Institute's obligations under the lease totalling \$356,622 held in an ANZ Bank L5 account (see Note 15);
- (b) \$63,259 (2022: \$36,872) for leasing of photocopying equipment payable over the next 5 years (see Note 15); and
- (c) \$86,729 (2022: \$261,263) for venue hire relating to events scheduled for 2023: and

The Institute has no capital commitments at 31 December 2023 (2022: \$0).

#### 26. EVENTS AFTER THE REPORTING PERIOD

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 2023.