

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

FOR THE YEAR ENDED 30 SEPTEMBER 2008



Institute of Actuaries of Australia



Institute of Actuaries of Australia

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Contents

Report of Council	4
Council and Audit Declarations	10
Independence Report	11
Income Statement and Balance Sheet	12
Changes in Equity and Cash Flow Statement	13
Notes to Financial Statements	14
Members Profit and Loss Account	22
Prize Fund Movements	24

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2008

Council submits herewith its report on the Institute for the year ended 30 September 2008. In order to comply with the provisions of the Corporations Act 2001, the Council reports as follows:

The Institute is a public company limited by guarantee and is licensed under Section 150 of the Corporations Act 2001 (Cth) to be incorporated without the word 'Limited' in its name. Council constitutes the Board of Directors of the Institute.

The names of each person who has been a director during the year and to the date of this report along with details of the qualifications, experience and special responsibilities of each director are:

Susan Rebecca Antcliff BSc (Hons), FIAA • 01/10/07 - 30/09/08

Council Member, Member of Education Council Committee, Member of Part II External Examiners Committee, Member of Research Taskforce, Member of Research Council Committee.

Susan has a first class honours degree in mathematics from the Australian National University and qualified as a Fellow in 2000. Following graduation, she worked in the Department of Prime Minister and Cabinet and the Department of Finance as a policy analyst before deciding in 1991 on a career change. She started actuarial studies by correspondence with the United Kingdom's Institute of Actuaries and, during this time, spent two years at the National Centre for Social and Economic Modelling heading their dynamic microsimulation modelling unit before joining the Australian Government Actuary in 1995 where she currently works.

Susan has been involved with the Institute in a number of roles. She edited Actuary Australia for two years and has acted as the external examiner for the control cycle at Australian National University since 2003, as well as served on the ANU accreditation panel. Susan has been a member of the Education Council Committee since late 2004 and also contributed to the development of the Professional Standard on Continuing Professional Development.

Mark Harold Baxter BEc, FIAA • 19/12/07 - 30/09/08

Council Member, Member of Member Services and Educator Taskforce.

Mark has over 25 years experience in the financial services industry in a variety of senior roles in the United Kingdom, Hong Kong and Australia. Mark has recently taken on the position of Group Head of Compliance for CBA after running Operational Risk and Compliance for the Premium Business Services Division of CBA. His current role encompasses the regulatory and compliance risks across the entire CBA Group.

Prior to joining CBA, Mark was part of the leadership team of the Australian Prudential Regulation Authority (APRA). He was responsible for the overall supervision of a portfolio of major banks and insurers and was a member of APRA's Basel II governance committee. Mark's responsibilities at APRA also included managing the liaison between APRA and ASIC (Australia's securities' regulator) and serving as APRA's representative on the Joint Forum (a global committee of regulators reviewing various aspects of conglomerate and cross sectoral supervision – the members include the FSA, the SEC, the OCC, the US Federal Reserve, and regulators from across Europe and Japan).

Mark also spent 12 years with Mercer Human Resources Consulting which included 6 years as Managing Director of the Hong Kong, Beijing and Shanghai operations. His specialties during that time were investment, employee benefits and pension fund consulting as well as developing a range of human resource and consulting offerings for the mainland China market place. While in Hong Kong, Mark was a member of the Hong Kong Government's "Panel of Experts" who advised on the development of Hong Kong's Mandatory Provident Fund system.

Anthony John Cook BSc, FIAA • 01/10/07 - 19/12/07

Council Member, Member of Audit and Risk Council Committee, Member of Leadership Committee.

Tony is an executive director in PricewaterhouseCoopers actuarial practice. He has performed a range of roles in both New Zealand and Australia including product management, compliance management, project management, finance and Chief and Appointed Actuary roles. He has worked for Royal Life, Sun Alliance, Colonial, CBA and Tower.

Wayne Herbert Cannon BSc (Hons), FIAA • 26/02/08 - 30/09/08

Council Member, Member of Member Services and Educator Taskforce.

Wayne is the State Actuary for Queensland Treasury providing actuarial advice to the State Government and its various agencies. This enables the government and its agencies to understand and manage their long-term financial liabilities with superannuation, long service leave and insurance. He also provides policy advice to the government on all actuarial matters.

Wayne has worked for Treasury since 1988 in various roles but spent most of 2001 in London as Manager Actuarial, Benefits and Insurance for PricewaterhouseCoopers.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

Anthony James Carey BEc, M.Mgt, FIAA • 19/12/07 - 30/09/08

Council Member, Member of Education Council Committee, Member of Health Practice Committee, Member of Macquarie University Actuarial Foundation Board, Member of Life Company Pricing Advice Taskforce.

Anthony has nearly 20 years experience in the financial services industry, having held a variety of senior roles across Wealth Management, Life Insurance and Private Health Insurance. Anthony was most recently the General Manager, New Customer Solutions at MBF, Australia, responsible for designing and developing new customer focused product and service solutions across MBF's various lines of business. He was previously MBF's General Manager Actuarial Services, Appointed Actuary for MBF Life Ltd and Head of Strategy for MBF's financial services businesses.

Anthony has a broad career history, covering actuarial, product development & management, strategy and consulting. He has previously worked at Tower Australia as National Manager Product Strategy, the Commonwealth Bank in two roles as Deputy Chief Actuary and Executive Manager Personal Life Insurance Products, in consulting roles at both Tillinghast and PricewaterhouseCoopers, and in various actuarial and product management roles at Prudential Australia.

Anthony has been actively involved in the actuarial education process, including membership of the Institute's University Accreditation Committee. He was Chief Examiner for the Part III Life Insurance 2B course in 2007, having previously been External Examiner for the Part II Exams at Macquarie University and the University of New South Wales for several years.

Anthony was a member of the Investment and Financial Services Association (IFSA) Life and Risk Management Board Committee from 2005 to 2008, and has served on several IFSA working groups.

Edward Fabrizio BEc, MBA, FIAA, FNZSA, FAICD • 01/10/07 - 30/09/08

Council Member, Member of Education Council Committee, Member of Life Insurance and Wealth Management Practice Committee, Member of Research Taskforce.

Eddy is the Deputy General Manager and Chief Actuary for General Reinsurance Life Australia which covers operations in Australia, New Zealand and Fiji. Prior to joining General Re in 1992, he also had a few years working at MLC Limited following completion of his university degree.

During his time as an actuary, Eddy has done numerous presentations to industry gatherings in Australia, New Zealand and at international meetings on various topics, specialising in the area of life risk product development, pricing and experience. He co-authored a paper on the Pricing of Dread Disease Insurance (1994) and was chairperson of the Institute's Risk Classification Committee and Experience Studies Committee prior to these bodies being incorporated into the current Life Risk Insurance Committee. He is currently a member of the International Actuarial Association's Income Protection Topic Team.

Bozena Hinton BEc, FIAA • 01/10/07 - 30/09/08

Vice President, Council Member, Member of Executive Council Committee, Chair of Member Services and Educator Taskforce.

Bozena currently works as a Consultant to Rice Warner Actuaries. Previously, she was working in wealth management at the Commonwealth Bank and has over 15 years experience in the financial services industry. Bozena has worked in a variety of roles including for Munich Reinsurance in both Australia and the UK and consulting for Trowbridge Consulting and Reinsurance Group of America.

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

Bozena was a member of the Board of Examiners from 2003 to 2006, serving as Chair in 2005 and 2006. Bozena was also a member of the International Relations Committee from 1996 to 2002 and has been a member of the Life Insurance Course Review team.

Rodney David Hoskinson BAppSc, FIAA • 01/10/07 - 19/12/07

Council Member, Member of Education Council Committee, Member of General Insurance Practice Committee.

Rodney is Manager, Actuarial Pricing and Capital Modelling, QBE Australia at QBE Insurance Group, and has worked with QBE for over eight years. Prior to joining QBE he worked in several consulting and corporate positions at Towers Perrin, Trowbridge Consulting and FAI Insurance. Rodney has over 17 years experience and has specialised in general insurance for over 15 years.

Rodney is a past member of the Communications Committee (2001 and 2002), the Accident Compensation Sub-committee and a member of the Organising Committee for several Institute Accident Compensation Seminars.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

Jennifer Heath Lang BEc, FIA, FIAA • 01/10/07 - 08/01/08

Council Member, Member of Life Insurance and Wealth Management Practice Committee.

Jennifer is Chief Actuary, Wealth Management at Commonwealth Bank and has more than 15 years experience in the financial services industry, including work for life insurance companies as an asset manager and as a financial services consultant.

Jennifer has written a number of Institute papers including on the choice of risk discount rates for the valuation of life insurance companies, and asset liability modeling for life and general insurers.

Christopher Robert John Latham BSc (Hons), FIA, FIAA • 19/12/07 - 30/09/08

Council Member, Member of General Insurance Practice Committee, Member of Research Taskforce, Convenor of Research Council Committee.

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

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

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

Ian William Laughlin BSc, Adv Dip FS(FP), FIA, FIAA, FAICD • 01/10/07 - 30/09/08

Council Member, Member of Audit and Risk Council Committee, Member of 2008 Financial Services Forum Organising Committee, Convenor of Risk Management Practice Committee.

Ian has extensive experience in executive and board positions in the financial services sector in Australia, the United Kingdom and Hong Kong, and has also worked in New Zealand. He is currently a non-executive director of AMP Life Ltd and of Diligenta Ltd, a UK-based company specialising in administration of life companies.

Ian was Managing Director of the life and pension businesses of Pearl Group (which operates in the UK under the brands of Pearl, London Life and NPI) from 2002, when it was in considerable difficulty, until 2006. During this time, he and his management team oversaw a major transformation of the business, culminating in its sale to private investors and the outsourcing of its back office.

He was President of the Hong Kong Actuarial Association in 1988.

Gregory Charles Martin BA, FFin, FIAA • 01/10/07 - 30/09/08

President, Council Member, Convenor of Executive Council Committee, Member of International Council Committee, Member of the 2008 Financial Services Forum Organising Committee.

Greg is a Director of KPMG Actuaries Pty Limited where he specialises in insurance, funds management and general financial valuation and modelling. He currently has three life insurance Appointed Actuary roles and has six former roles. He was a member of the Life Insurance Actuarial Standards Board (2001-2007) and advises groups such as the Australian Accounting Standards Board on accounting standards related to insurance business.

John Michael Newman B Bus Sc (Hons), FIAA • 19/12/07 - 30/09/08

Council Member, Member of Superannuation and Employee Benefits Practice Committee, Member of Professionalism Review Taskforce, Convenor of Designations Implementation Committee.

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

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

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

Blair Milton Nicholls BEc, FIAOA, FIAA • 19/12/07 - 30/09/08

Council Member, Member of International Council Committee, Member of Nominations Council Committee.

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

Blair has been with QBE for around 14 years and has undertaken a variety of roles. These include recently spending three years in QBE's London office as the Chief Actuary for QBE's European Operations and seven years in QBE's Australian operations. Prior to working at QBE, Blair was at a consulting firm. He has developed knowledge of QBE's worldwide operations and the general insurance markets in the many countries in which QBE operates and writes business.

Nathan Jerome Rivett BSc, FIA, FIAA • 01/10/07 - 19/12/07

Council Member, Member of General Insurance Practice Committee, Member of Designations Taskforce.

Nathan currently manages a CTP Research Team at IAG. Previously he was the Appointed Actuary at Tower and FAI Life. During his eight years at AMP before that he held positions in product areas, Group Office and Superannuation, including the role of scheme actuary for defined benefit superannuation funds.

Nathan was a member of the Life Insurance Practice Committee and its Tax and Legislation Sub-committee from 1999 to 2001.

Frederick Rowley MA, FIA, FIAI, F Fin, FIAA • 01/10/07 - 19/12/07

President (2007), Council Member, Convenor of Executive Council Committee, Convenor of Designations Taskforce, Vice-Chair of the IAA China Sub-Committee and the IAA Professionalism Committee.

Currently a strategic financial services consultant, Fred has held senior roles in IT, finance and general management. Until 2004, he was Chief Corporate Actuary of AMP Limited, and a director of several subsidiaries within the AMP group.

He has a particular interest in broader risk management, with emphasis on financial risks and corporate finance, and in the economic impacts of climate change.

Fred previously served on Council from 2000-2002 and is co-author of several Institute submissions to government and financial regulators, including the Australian Prudential Regulation Authority, the Australian Taxation Office, and the Basel Committee. He has served as Chair of the Life Insurance Practice Committee, the Public Policy Council Committee, the Standards Regulation Taskforce and the Prudential Regulation Taskforce.

Steven John Schubert BSc, FIAA • 01/10/07 - 19/12/07

Council Member, Convenor (then Past Convenor) of Superannuation and Employee Benefits Practice Committee.

Steven is Director of Superannuation at Russell Investment Group, having previously been a Principal of Towers Perrin before Russell's acquisition of Towers Perrin Australia. He has specialised in superannuation consulting for over 25 years and is the Senior Actuary at Russell.

Steven has advised a wide range of large private sector and public sector employers and funds. Most recently he has taken a strong interest in raising the awareness of factors affecting the ability to achieve adequate retirement incomes, particularly longevity risk.

Trevor James Thompson BA (Econ), FIAA • 01/10/07 - 30/09/08

Senior Vice President (previously Vice President), Council Member, Member of Executive Council Committee, Convenor of Nominations Council Committee, Convenor of Research Taskforce, Convenor of the Awards and Prizes Panel, Chair of A H Pollard Scholarship Review Committee, Member of the IAA Supranational Relations Committee, Member of the IAA International Education Program Committee, Member of IAA International Education Program Feasibility Working Group, Member of IAA Sections Taskforce.

Trevor retired in 2002, following a career with AMP both in Australia and the United Kingdom. Positions held in more recent years included Marketing Manager for Australia, General Manager Superannuation for Australia, Manager of AMP's demutualisation, Corporate Treasurer AMP Limited, and subsequently in the United Kingdom, Chief Executive and Managing Director of AMP's last United Kingdom acquisition National Provident Institution, and Sales Director for AMP (UK).

Trevor has served on a wide variety of committees and taskforces including the Corporate Governance Task Force (2003 – 2005), the Penrose/Morris Task Force (2004 – 2006), and the Independent Peer Review Implementation Task Force (2004 – 2006). He was also a member of the Education Council Committee, Chair of the University Accreditation Committee and External Examiner for the University of New South Wales and Macquarie University (2003 – 2005).

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

Mark Edmund Turner BA (Hons), FIA, FIAA, FIAI • 01/10/07 - 30/09/08

Council Member, Member of Designations Taskforce, Member of International Council Committee, Convenor of Professionalism Review Taskforce.

Mark retired from Tillinghast - Towers Perrin in June 2006 after 20 years consulting with the firm. During his time with Tillinghast he held various roles including Managing Principal Asia Pacific, membership of Tillinghast's worldwide management committee and leader of the Indian consulting practice.

Prior to joining Tillinghast, Mark worked for the M&G Re from 1978 to 1986 in the United Kingdom, Asia and South Africa, for Cannon Assurance in London from 1974 to 1978 and for Phoenix Assurance in Bristol from 1972 to 1974. He was a member of the Institute's Corporate Governance and Penrose/Morris Task Forces. Mark has written actuarial papers on the subjects of transfers of life insurance business and independent peer review.

Rowan Trevor Ward BSc, FIAA • 01/10/07 - 19/12/07

Council Member, Member of Designations Taskforce, Member of Nominations Council Committee.

Rowan is Executive General Manager, Actuarial Services & Chief Actuary for the Suncorp Group with responsibility for actuarial advice relating to its general insurance, life insurance and banking businesses.

He is Appointed Actuary for Suncorp Life and Superannuation Limited and a director of a number of subsidiaries of the group. During his career at Suncorp, Rowan has worked in various management and technical roles across the Group and prior to that with National Mutual.

Bruce Alan Watson BSc (Hons), FNZSA, FIAA • 01/10/07 - 30/09/08

Council Member, Member of Accountants and Actuaries Liaison Committee, Member of Audit and Risk Council Committee.

Bruce is a Principal of Finitly Consulting Pty Limited. He has worked in actuarial consulting since joining E S Knight and Co in 1984 and has specialised in general insurance and accident compensation since 1995.

Bruce was Chair of the General Insurance Practice Committee from 1999 to 2002 and a Member of the Strategic Planning Taskforce in 2007. He is the author of papers presented to Institute seminars, the New Zealand Society of Actuaries Biennial Conference and various industry seminars.

Details of the qualifications and experience of the Institute's Company Secretary are listed below:

Anne Peters MSt (Oxon), LLB (Medal)(UNSW), Grad Dip Leg Prac MAICD • 01/10/07 - 30/09/08

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

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

The principal activities of the Institute in the course of the financial year comprised encouraging the study of actuarial science, statistics and other subjects and conducting examinations in relation thereto. The Institute also undertook promotional and administrative activities in relation to the actuarial profession, including the preparation of professional standards. During the year there was no significant change in the nature of those activities.

Operating surplus for the year amounted to \$9,739, down significantly on last year's surplus of \$845,854. Major contributing factors included: implementation of the strategic plan requiring the employment of additional staff (with total employment costs increasing by \$557,693 to \$2,739,664); a drop in net CPD revenues of \$375,000 (due to both it being a non-Convention year and the deferral of the General Insurance Seminar to next financial year); and reduced investment income of \$34,000 due to the current financial conditions. These factors were offset by the deferment or abandonment of some previously planned strategic projects (approximately \$90,000) and administrative cost reductions of \$49,000. The adverse credit market conditions mentioned in last year's report continued into 2008 with lower results achieved from investments. The Institute's holding in NAB Income Securities fell in value by \$118,000 during the year, with the remainder of the market value fluctuation fall of \$81,000 attributable to the unit trust holdings. Save for these items, the operations were similar to the previous year.

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 30 September 2008 except for the matters disclosed in Note 17.

Report of Council

THE INSTITUTE OF ACTUARIES OF AUSTRALIA REPORT OF COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

The Members of Council believe that there are no likely developments in the operations of the Institute and the expected results of those operations in the financial years subsequent to 30 September 2008 which need to be brought to members' attention.

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

Council Members receive no remuneration or other benefits. No Member of Council, since the end of the previous financial year, has received or become entitled to receive a benefit by reason of a contract made by the Institute with that Member or with a firm of which s/he is a member or with a company in which s/he has a substantial financial interest for services rendered in connection with the activities of the Institute, except as disclosed in Note 11 to the Financial Statements on page 18 of this Annual Report.

During the financial year, the Institute paid a premium of \$8,545 in respect of a contract insuring the Office Bearers (as defined including any past, present or future Director, Secretary, Officer, Trustee, Committee member or employee of the Institute or any other natural person acting on behalf of the Institute at the direction of an Officer or Board of Directors or Committee of Management of the Institute) against a liability incurred as such Office Bearer to the extent permitted by law.

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

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

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

Directors' attendance at Council and Council Committee meetings

Councillor	Council	Audit & Risk Council Committee**	Education Council Committee	Executive Council Committee	International Council Committee	Nominations Council Committee	Research Council Committee***
S R Antcliff	6 of 6		5 of 6				0 of 1
M H Baxter *	3 of 4						
A J Cook *	1 of 2	1 of 1					
W H Cannon *	4 of 4						
A J Carey *	4 of 4		2 of 3				
E Fabrizio	6 of 6		3 of 3				
B Hinton	6 of 6			8 of 8			
R D Hoskinson *	1 of 2		1 of 2				
J H Lang *	2 of 2	1 of 1					
C R J Latham *	4 of 4						1 of 1
I W Laughlin	6 of 6	2 of 2					
G C Martin	6 of 6			10 of 11	4 of 5		
J M Newman *	4 of 4				1 of 3		
B M Nicholls *	1 of 4				1 of 3	3 of 3	
N J Rivett *	0 of 2						
F Rowley *	2 of 2			2 of 2	1 of 1		
S J Schubert *	2 of 2						
T J Thompson	6 of 6			11 of 11		3 of 3	
M E Turner	6 of 6				4 of 5		
R T Ward *	1 of 2						
B A Watson	6 of 6	3 of 3					

* These Councillors were not eligible to attend all meetings of Council as they did not hold office for the full year (refer Note 11(a) of the Notes to the Financial Statements on page 18 of the Financial Statements Report for details of their period of office).

** The Audit Council Committee was renamed the Audit & Risk Council Committee in November 2007.

*** The Research Council Committee was formed in September 2008 and held its first meeting on 19 September 2008.

The auditor's independence declaration for the year ended 30 September 2008 has been received and can be found on page 10.

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



G C MARTIN

President

Sydney, 7 November 2008



T J THOMPSON

Senior Vice President

Council and Audit Declarations

THE INSTITUTE OF ACTUARIES OF AUSTRALIA DECLARATION BY MEMBERS OF COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2008

The members of Council of the Institute declare that:

1. the financial statements and notes thereto are in accordance with the Corporations Act 2001 and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 September 2008 and of the performance for the year then ended on that date of the Institute; and
2. in the Council's opinion, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

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



G C MARTIN

President

Sydney, 7 November 2008



T J THOMPSON

Senior Vice President

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

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2008 there have been:

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



F GIANNUZZI

Partner

Sydney, 7 November 2008



UHY HAINES NORTON

Chartered Accountants

Independence Report

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

We have audited the accompanying financial report of the Institute of Actuaries of Australia for the year ended 30 September 2008, as set out on pages 12 to 21 and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, in accordance with Accounting Standard AASB101 "Presentation of Financial Statements", the Directors also state, that the Institute has prepared the financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS).

Auditor's Responsibility

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

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

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

Independence

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

Audit Opinion

In our opinion,

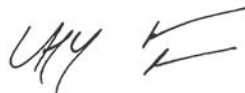
- (a) the financial report of the Institute of Actuaries of Australia is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Institute's financial position as at 30 September 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards (IFRS) as disclosed in Note 1.



F GIANNUZZI

Partner

Sydney, 7 November 2008



UHY HAINES NORTON

Chartered Accountants

Income Statement and Balance Sheet

THE INSTITUTE OF ACTUARIES OF AUSTRALIA INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
Administration Revenues		188,266	220,439
Professional Development Revenues		588,628	1,225,965
Education Revenues		2,945,433	2,832,658
Knowledge Revenues		172,704	235,417
Member Services Revenues		2,548,593	2,396,365
Total Revenue	2	6,443,624	6,910,844
Administration Costs		(875,211)	(924,759)
Employment Costs		(2,739,664)	(2,181,971)
Professional Development Costs		(447,949)	(709,212)
University Foundation Grants		(330,000)	(325,000)
Education Costs		(1,225,785)	(1,039,429)
Knowledge Costs		(186,027)	(227,026)
Governance Costs		(35,807)	(28,193)
Public Affairs Costs		(142,039)	(115,997)
Member Services Costs		(139,498)	(165,261)
Council and CEO		(252,853)	(200,052)
Strategic Projects		(59,052)	(148,090)
Total Expenses		(6,433,885)	(6,064,990)
Surplus before income tax expense		9,739	845,854
Income tax expense	1(d)	-	-
Surplus attributable to members		9,739	845,854

THE INSTITUTE OF ACTUARIES OF AUSTRALIA BALANCE SHEET AS AT 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	3	230,003	538,866
Trade and other receivables	4	380,263	200,026
Other current assets	5	5,144,207	4,634,465
Total current assets		5,754,473	5,373,357
NON CURRENT ASSETS			
Other non current assets	6	-	77,894
Property, plant and equipment	7	617,125	685,274
Total non current assets		617,125	763,168
TOTAL ASSETS		6,371,598	6,136,525
CURRENT LIABILITIES			
Trade and other payables	8	1,543,313	1,410,542
Provisions	9	218,704	126,141
Total current liabilities		1,762,017	1,536,683
TOTAL LIABILITIES		1,762,017	1,536,683
NET ASSETS		4,609,581	4,599,842
MEMBERS' FUNDS			
Retained earnings		4,609,581	4,599,842
TOTAL MEMBERS' FUNDS		4,609,581	4,599,842

The accompanying notes form part of these financial statements

Statement of Changes in Equity and Cash Flow Statement

THE INSTITUTE OF ACTUARIES OF AUSTRALIA STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2008

	2008 \$	2007 \$
Balance at 1 October	4,599,842	3,753,988
Surplus attributable to members of the Institute	9,739	845,854
Balance at 30 September	4,609,581	4,599,842

THE INSTITUTE OF ACTUARIES OF AUSTRALIA CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		6,032,065	6,735,033
Interest received		59,130	115,266
Trust distributions		131,115	68,418
Payments to suppliers and employees		(6,016,370)	(5,259,108)
Net cash inflow from operating activities	13(b)	205,940	1,659,609
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments		3,660,569	1,210,751
Payments for investments		(4,114,068)	(2,431,447)
Purchase of property, plant and equipment		(61,304)	(71,971)
Net cash (outflow) from investing activities		(514,803)	(1,292,667)
Net increase/(decrease) in cash held		(308,863)	366,942
Cash at the beginning of year		538,866	171,924
Cash at the end of year	13(a)	230,003	538,866

The accompanying notes form part of these financial statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Significant Accounting Policies

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

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

Basis of Preparation

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

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

b. Property, Plant and Equipment

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

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

c. Depreciation

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

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

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

d. Income Tax

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

e. Leases

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

Incentives received on entering into operating leases are recognised as liabilities. The incentive, which represents a rent free period, is reduced proportionately over the remaining term of the lease.

f. Financial Instruments

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

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Impairment of Assets

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

h. Other Receivables

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

i. Accounts Payable

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

j. Employee Benefits

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

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

k. Cash and Cash Equivalents

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

l. Revenue

Revenue from the rendering of services is recognised upon delivery of the service to the member. Subscription income is brought to account upon receipt. Receipts received and expenses incurred before year end in relation to future services to be provided is deferred as a liability (Note 4 - Deferred expenses and Note 8 - Registration fees received in advance, respectively).

Interest revenue is recorded on an Accruals basis and trust distributions are recognised on a Distribution basis.

m. Goods and Services Tax ("GST")

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

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

n. Exchange Rate

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

o. Website Costs

Costs in relation to the website are expensed in the period in which they are incurred.

p. Comparatives

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

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

	2008 \$	2007 \$
2. REVENUE AND EXPENSES		
(a) Revenue		
Revenue from operating activities		
Income from sale of goods and services	6,275,364	6,708,295
Total Revenue from operating activities	6,275,364	6,708,295
Revenue from non-operating activities		
Interest received	225,937	146,716
Trust distributions received	131,115	149,967
Market value fluctuations of investments	(198,474)	(94,134)
Realised gains on sale of investments	9,682	-
Total Revenue from non-operating activities	168,260	202,549
Total Revenue	6,443,624	6,910,844
(b) Other Income		
Net gain/(loss) on disposal of property, plant & equip	-	(4,823)
(c) Expenses requiring additional disclosure		
Amortisation and Depreciation of assets:		
Leasehold improvements	88,841	87,747
Office equipment	36,927	30,894
Furniture and fittings	3,684	3,694
	129,452	122,335
Movements in provisions		
Leave and entitlements (see note 9)	92,563	13,214
Doubtful debts	5,000	-
	97,563	13,214
Rental expenses on operating leases		
Minimum lease payments	319,344	270,924
	319,344	270,924
Remuneration of the auditors		
Auditing the accounts	21,000	31,000
Other services	3,900	19,000
	24,900	50,000
(d) Significant Revenue and Expense Items		
The following revenue and expense items are relevant in explaining the financial performance:		
Website development costs	(17,110)	(148,090)
Diminution in value of investment	(198,474)	(88,225)
3. CASH AND CASH EQUIVALENTS		
Cash at bank	229,603	538,466
Cash on hand	400	400
	230,003	538,866
4. TRADE AND OTHER RECEIVABLES		
Interest receivable	11,824	22,334
Income receivable	220,699	77,906
Less: Provision for doubtful debts	(7,500)	(2,500)
Deferred expenses	121,493	5,810
Receivable from Taxation Office	33,747	96,476
	380,263	200,026

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

	2008 \$	2007 \$		
5. OTHER CURRENT ASSETS				
Listed securities at market value	672,801	1,253,699		
Unit trusts at market value	1,011,080	1,096,295		
Cash on deposit	3,378,753	2,206,139		
	5,062,634	4,556,133		
Prize fund balances				
H M Jackson prize fund	6,374	6,197		
A M Parker prize fund	12,858	12,080		
Andrew Prescott Memorial prize fund	10,037	9,734		
The Melville prize fund	30,951	28,982		
Katherine Robertson prize fund	21,353	21,339		
	81,573	78,332		
	5,144,207	4,634,465		
6. OTHER NON-CURRENT ASSETS				
Bank bonds at cost (a)	-	77,894		
	-	77,894		
(a) Bank bonds have been offered as security in place of a rental bond due to mature in 2009.				
7. PROPERTY, PLANT AND EQUIPMENT				
Leasehold improvements, at cost	896,044	877,474		
Less: accumulated amortisation	406,218	317,377		
	489,826	560,097		
Computer equipment, at cost	337,537	294,803		
Less: accumulated depreciation	228,446	191,519		
	109,091	103,284		
Furniture and fittings, at cost	34,901	34,901		
Less: accumulated depreciation	16,693	13,008		
	18,208	21,893		
	617,125	685,274		
Movements in the Carrying Amounts				
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the year end of the current financial year.				
	Leasehold Improvements	Computer Equipment	Furniture & Fittings	Total
Balance at the beginning of the year	560,097	103,284	21,893	685,274
Additions	18,570	42,734	-	61,304
Disposals	-	-	-	-
Depreciation / amortisation expense	(88,841)	(36,927)	(3,685)	(129,453)
Carrying amount at the end of the year	489,826	109,091	18,208	617,125
8. TRADE AND OTHER PAYABLES				
Unsecured:				
Sundry creditors and accruals	1,094,759			1,292,397
Registration fees for conferences and seminars received in advance	422,209			31,800
Lease Incentive	26,345			86,345
	1,543,313			1,410,542

Notes to the Financial Statements

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

9. CURRENT PROVISIONS

Employee entitlements

	Annual Leave & Bonus	Long Service Leave	Total
Opening balance	107,776	18,365	126,141
Additional provision raised during the year	247,064	24,834	271,898
Amounts used	(179,335)		(179,335)
Closing Balance	175,505	43,199	218,704

	Note	2008 \$	2007 \$
(a) Aggregate employee entitlement liability		218,704	126,141
(b) Number of employees at year end		24	21

10. CAPITAL AND LEASING COMMITMENTS

Operating Leases

Lease rental expense and commitments:

Rentals charged to income statement		319,344	270,924
Lease commitments:			
Not later than 12 months		399,003	348,116
Between 12 months and five years		1,742,800	237,679
Greater than five years		270,498	-
Total operating lease commitments	(a)	2,412,301	585,795

Other Commitments

Capital and Other expenditure commitments contracted for UAM Textbook		64,000	-
Payable within twelve months		64,000	-

(a) Building Rent Agreement expires on 1 May 2009 with a 5 year option to renew at market rates. This option has been exercised.

11. RELATED PARTY TRANSACTIONS

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

S R Antcliff	R D Hoskinson (to Dec 07)	N J Rivett (to Dec 07)
M H Baxter (from Dec 07)	J H Lang (resigned Jan 08)	F Rowley (to Dec 07)
A J Cook (to Dec 07)	C R J Latham (from Dec 07)	S J Schubert (to Dec 07)
W H Cannon (from Feb 08)	I W Laughlin	T J Thompson
A J Carey (from Dec 07)	G C Martin	M E Turner
E Fabrizio	J M Newman (from Dec 07)	R T Ward (to Dec 07)
B Hinton	B M Nicholls (from Dec 07)	B A Watson

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

There was a contract with Australian Government Actuary, which is related to S R Antcliff, in relation to Commercial Actuarial Practice course fees. The amount incurred during the year was \$16,300 (2006/07 \$13,600).

There was a contract with QBE, which is related to R D Hoskinson and B M Nicholls, in relation to insurance policies taken out. The amount incurred during the year was \$12,148.

There was a contract with KPMG, which is related to G C Martin, in relation to venue hire for functions and meetings. The amount incurred during the year was \$1,644 (2006/07 \$10,600).

There was a contract with Professional Financial Solutions, which is related to J M Newman, in relation to the rental of additional office floor space at Challis House. The amount incurred during the year was \$15,110.

There was a contract with Russell Employee Benefits, which is related to S J Schubert, in relation to Part III Course Leader fees. The amount incurred during the year was \$49,083 (2006/07 \$36,941).

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

11. RELATED PARTY TRANSACTIONS (continued)

- (c) Donations were made during the year to the Macquarie University Actuarial Foundation for \$100,000, the University of NSW Actuarial Foundation for \$230,000 and Actuarial Research Centre of Australia \$30.
- (d) The Chief Executive of the Institute, Mr John Maroney, is a Fellow of the Institute.
- (e) There were no other transactions with related parties during the year.

12. FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted are disclosed in note 1 to the financial statements.

(b) Interest Rate Risk

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

Weighted Average Effective Interest Rate:	2008 %	2007 %
Financial Assets		
Cash at Banks	2.87	3.45
Cash on deposit	6.79	6.08
Investments	9.05	6.91
	2008 \$	2007 \$
Floating Interest Rate: Financial Assets		
Cash at Banks	229,603	538,466
Cash on deposit	-	-
Investments	754,374	78,331
Total Financial Assets	983,977	616,797
Fixed Interest Rate Maturing within 1 year: Financial Assets		
Cash at Banks	-	-
Cash on deposit	3,378,753	2,284,472
Investments	-	1,175,368
Total Financial Assets	3,378,753	3,459,840
Fixed Interest Rate Maturing within 1-5 years: Financial Assets		
Cash at Banks	-	-
Cash on deposit	-	77,894
Investments	-	-
Total Financial Assets	-	77,894
Non-Interest Bearing: Financial Assets		
Cash at Banks	-	-
Cash on deposit	-	-
Investments	1,011,080	1,096,294
Total Financial Assets	1,011,080	1,096,294

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

12. FINANCIAL INSTRUMENTS (continued)

(c) Credit Risk

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

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

(d) Net Fair Values

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

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

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. At balance date the Institute had investment holdings of \$1,683,881 with exposure to market risk.

13. CASH FLOW INFORMATION

(a) Reconciliation of Cash

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

	2008 \$	2007 \$
Cash	230,003	538,866
(b) Reconciliation of Cash Flow from Operations with Net Surplus		
Net Surplus	9,739	845,854
Non-Cash Flows in Surplus		
Depreciation and amortisation	129,452	122,335
Loss on disposal of assets	-	-
Changes in Assets and Liabilities		
Decrease/(increase) in interest receivable	10,511	(11,911)
Decrease/(increase) in income receivable	(120,935)	(8,172)
Increase/(decrease) in doubtful debts	5,000	-
Decrease/(increase) in deferred expenses	(137,540)	25,136
Decrease/(increase) in receivable from ATO	62,728	(28,889)
Increase/(decrease) in sundry creditors	(257,637)	698,731
Increase/(decrease) in income in advance	390,409	31,800
Decrease/(increase) in market value of investments	21,650	(11,520)
Increase/(decrease) in employee provisions	92,563	(13,213)
Decrease/(increase) in loan to UNSWAF	-	9,458
Net cash provided by operating activities	205,940	1,659,609

THE INSTITUTE OF ACTUARIES OF AUSTRALIA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008 (continued)

14. MEMBERS' GUARANTEE

The Institute is a public company limited by guarantee and holds a licence under the Corporations Act 2001 which allows it to exclude the word "Limited" from its name.

Each member of the Institute guarantees its liabilities to the extent of \$20. The number of members at year end was 3,481 (2007: 3,400).

15. SEGMENT INFORMATION

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

16. COMPANY DETAILS

The registered office of the company is:

Level 7 Challis House
4 Martin Place
SYDNEY NSW 2000

17. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Since Balance Date the most recent valuation of the Institute's investment holdings has shown a decline in value in the order of \$83,000 attributable to the volatility affecting the global financial markets.

THE INSTITUTE OF ACTUARIES OF AUSTRALIA DISCLAIMER FOR THE YEAR ENDED 30 SEPTEMBER 2008

The additional financial data presented on page 22 to page 24 is in accordance with the books and records of the Institute which have been subjected to the auditing procedures applied in our statutory audit of the Institute of Actuaries of Australia for the year ended 30 September 2008.

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

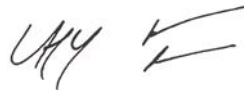
In accordance with our Firm policy, we advise that neither the Firm nor any members or employee of the Firm undertakes responsibility in any way whatsoever to any person (other than the Institute of Actuaries of Australia) in respect of such data, including any errors or omissions therein, arising through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



F GIANNUZZI

Partner

Sydney, 7 November 2008



UHY HAINES NORTON

Chartered Accountants

Members Profit and Loss Account

THE INSTITUTE OF ACTUARIES OF AUSTRALIA PRIVATE INFORMATION FOR THE MEMBERS PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	2008 \$	2007 \$
REVENUE		
Administration		
Interest	225,937	146,716
Trust Distributions	131,115	149,966
Market Value Fluctuations on Investments	(198,474)	(94,134)
Realised Gains on Sale of Investments	9,682	-
Prize Funds Income	4,566	3,991
Prize Funds Donations	15,440	13,900
	188,266	220,439
Professional Development		
Seminars & Programs	588,628	1,225,965
	588,628	1,225,965
Education		
ActEd Royalties	-	5,823
Tuition Service (UK)	66,062	69,250
Professionalism Course	156,315	129,782
Part III (inc CAP) Course Fees	2,036,391	1,974,370
Exemption Fees	686,665	653,433
	2,945,433	2,832,658
Knowledge		
Advertising	39,950	31,300
Sales of Publications	132,504	201,617
Research & Reports	250	2,500
	172,704	235,417
Member Services		
Members' Subscriptions	2,277,989	2,082,816
Entrance Fees	67,726	72,204
Job Advertisements	150,500	187,390
Member Functions	50,528	52,005
Other	1,850	1,950
	2,548,593	2,396,365
TOTAL REVENUE	6,443,624	6,910,844
LESS EXPENDITURE		
Administration		
Professional Fees including Audit	19,400	56,650
Legal Fees	2,391	14,194
General	9,818	19,520
Staff Amenities & Travel	31,890	28,886
Insurances	24,295	27,033
Merchant Expenses & Bank Charges	4,165	3,955
Premises	345,196	327,878
Depreciation & Amortisation	129,452	122,335
Provision for Doubtful Debts	5,000	-
Loss on Disposal of Depreciable Assets	-	4,823
Computer & Telecommunications	165,060	179,940
Stationery/Printing, Subs & Couriers	98,310	98,791
Prizes Paid & Bank Charges	16,850	19,533
Hong Kong Office	23,384	21,221
	875,211	924,759

Members Profit and Loss Account

THE INSTITUTE OF ACTUARIES OF AUSTRALIA PRIVATE INFORMATION FOR THE MEMBERS PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
LESS EXPENDITURE (continued)			
Employment			
Salaries & Superannuation		2,554,176	2,020,389
On Costs		129,240	92,548
Fringe Benefits Tax		21,317	8,471
Recruitment/Training		34,931	60,563
		2,739,664	2,181,971
Professional Development			
Seminars & Program		447,949	709,212
		447,949	709,212
University Foundation Grants			
University of Melbourne Actuarial Foundation	(a)	-	100,000
Macquarie University Actuarial Foundation		100,000	100,000
University of NSW Actuarial Foundation	(b)	230,000	125,000
		330,000	325,000
(a) University of Melbourne Actuarial Foundation was dissolved in March 2008.			
(b) Includes a contribution of \$30,000 to ANU and \$100,000 to University of Melbourne.			
Education			
Course Development		53,020	84,135
Part III (inc CAP)		1,082,460	865,383
Professionalism Course		73,369	74,611
University Prizes & Scholarships		16,936	15,300
		1,225,785	1,039,429
Knowledge			
Actuary Australia, AAJ & Other Publications		185,858	209,690
Research & Reports		-	-
ARCA		169	17,336
		186,027	227,026
Governance			
Disciplinary Scheme		35,560	26,394
Professional Standards Review		247	1,799
		35,807	28,193
Public Affairs			
Functions		3,943	4,884
Consultants' Fees		84,226	75,554
Subscriptions		21,792	12,309
Travel & Other		4,633	1,771
ERM-II		-	2,183
Representation/Training		27,445	19,296
		142,039	115,997
Member Services			
Member Functions		113,620	141,872
IAA Subscriptions		25,878	23,389
		139,498	165,261
Council and CEO			
International Representation		172,614	124,197
Council and Committees		80,239	75,855
		252,853	200,052
Strategic Projects			
Strategic Projects		59,052	148,090
TOTAL EXPENDITURE		6,433,885	6,064,990

Prize Fund Movements

PRIVATE INFORMATION FOR MEMBERS PRIZE FUND MOVEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

	2008 \$	2007 \$
Receipts into and payments from the prize funds have been reflected in the Institute's profit and loss account as follows:		
Interest Received	3,501	3,991
Donations Received	15,440	13,900
Prizes Paid	(16,850)	(18,150)
	2,091	(259)
The detailed movements in each account are as follows:		
H M Jackson Prize Fund		
Balance at beginning of year	6,197	6,329
Supplementation from Melville Prize Fund	2,950	2,804
Supplementation from the Institute	86	3,150
Interest received	391	214
Prize paid	(3,250)	(6,300)
Balance at end of year	6,374	6,197
A M Parker Prize Fund		
Balance at beginning of year	12,080	12,027
Supplementation from Melville Prize Fund	-	2,804
Interest received	778	549
Prize paid	-	(3,300)
Balance at end of year	12,858	12,080
Andrew Prescott Memorial Prize Fund		
Balance at beginning of year	9,734	9,339
Supplementation from Melville Prize Fund	4,865	2,775
Interest received	688	470
Prizes paid	(5,250)	(2,850)
Balance at end of year	10,037	9,734
The Melville Prize Fund		
Balance at beginning of year	28,982	26,924
Donations received	15,440	13,900
Interest received	1,644	1,291
Supplementation to other prize funds	(7,815)	(8,383)
Melville Practitioners & Financial Services Forum Award paid	(7,300)	(4,750)
Balance at end of year	30,951	28,982
Katherine Robertson Prize Fund		
Balance at beginning of year	21,339	21,001
Increase/(Decrease) in Market Value	1,064	(180)
Interest received	-	1,468
Prize paid	(1,050)	(950)
Balance at end of year	21,353	21,339