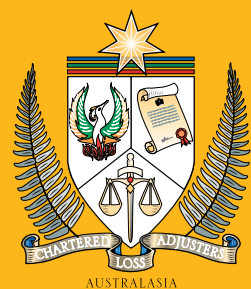


2016 2017



ANNUAL REPORT
OF THE AUSTRALASIAN
INSTITUTE OF CHARTERED
LOSS ADJUSTERS



NOTICE OF ANNUAL GENERAL MEETING

AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS – ABN 18 074 804 167

The Annual General Meeting of the Australasian Institute of Chartered Loss Adjusters will be held on Thursday, 26 October 2017 at **Oliver's Room, Floor one, Mercure Tower, Pullman Brisbane, Corner Ann & Roma Streets at 4.30pm.**

BUSINESS

1. To receive the President's report for 2016/17.
2. To receive and consider the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and the Reports of Directors and Auditors in respect of the twelve months ended 30th June 2017.
3. To receive advice of the election of Office Bearers for 2017/18.

By order of the Board
15 September 2017

A.O. LIBKE B.Bus
Secretary

PROXIES

A proxy has been enclosed and can be used to vote on the above resolutions. A Member entitled to attend and vote is entitled to appoint a Proxy.

VOTING

At every Meeting of the Institute every Member being a Life member who is in the occupation of loss adjusting, Affiliate, Associate, or Fellow member shall be entitled to one vote but a Member whose subscription is in arrears three months or more from the date of posting his/her Membership account by the Treasurer shall not be entitled to be present at any meeting of the Institute nor vote at such Meeting. Ordinary, Provisional, Honorary, Retired and retired Life Members shall not be entitled to vote at any Meeting of the Institute.

INDEX

President's Report	1
Operations Report	2
General Purpose Financial Report	5

PRESIDENT'S REPORT



Leon Briggs
PRESIDENT

My election as President coincided with the release of AICLA's history publication "*What Killed the Tiger*" (copies of which are readily available at a Division Secretary near you). What that night brought home was the rich legacy that loss adjusting in Australia, New Zealand and Asia has and, particularly for someone assuming the presidency, the footsteps that one has to follow in. For me, that includes the previous New Zealand presidents, Michael Brooke and Mark Godfrey.

Of course, the institute is more than the President, and the profession is more than the institute. The business of loss adjusting happens all over the region on a daily basis, but, we believe, it is better when adjusters have professional training, and that is the fundamental business of the institute.

As I have said in various locations I have travelled to, although the centre pieces of education that AICLA provides might be the examination system and the two main conferences, on-going professional development is mainly achieved in two ways. First, through on-line CPD, which is a labour of love for Alan Ford – 80 modules and counting. Second, through division activities; seminars, conferences, discussion groups. I get to be the public face of the institute for two years, but much of the day to day credit of on-going development goes to the councillors in each division, and the unpaid speakers who give their time to prepare and present.

Turning back to the centre pieces – the examination system and the conferences – there has been a lot of on-going work in both areas.

The examination system, as I have discussed in LA News, is run by ANZIIF under contract. They are the experts at running education and examination processes, we are the experts at loss adjusting and we provided the learning material. The way the world learns is changing, however, and providing a textbook or set of study material to read is no longer considered effective. Even at University level

courses are provided on-line with on-line quizzes and exams. ANZIIF is developing new learning units to replace the old modules and we have spent considerable time working on the conversion process, and working with ANZIIF on a new contract to provide the examination service. We expect this work to be completed in the coming year, and I would like to acknowledge the work of Michael Davies who has been Education Director for many years, and continues to spend considerable time managing and improving the education system for the benefit of members.

There are two conferences that we hold each year. The Asian Claims Convention was held in Ho Chi Minh City, Vietnam, in April and attracted a record number of delegates from all over Asia. The Sydney Claims Convention is about to be held as I write this, and already there are over 250 delegates registered. It is very pleasing to see the insurance community supporting both conferences and it is a credit to the efforts of those who give their time to organise the programme and arrange speakers, that AICLA is able to present conferences that people want to attend.

Part of the role of President is the privilege of visiting various divisions, and visiting various countries within the international division. After the conference Tony Libke and I visited Thailand, Malaysia, Indonesia, Hong Kong and Singapore to meet with members and to provide a short educational seminar. Part of the tour was conducted with Budi Maharesi, the International Division Chairman. The tour would not be successful without the organisational skills of Budi and his fellow councillors in the International Division. One of the countries with the highest number of AICLA members, where we have also never held the Asian Claims Convention, is Indonesia. The Board of AICLA therefore resolved in May to hold the 2018 Asian Claims Convention in Bali. We hope that if we provide an excellent programme, then, given the ease of travel to Bali, we will enjoy a record number of participants.

Jaye Kumar, our International Development Director, has also been active in the Asian region, developing and strengthening relationships with various institutes and organisations. The Claims Technician Course is an entry level course run by AICLA in various countries in Asia to improve loss adjusting and claims handling from the ground up. Recently Jaye expanded our involvement in Asia to include Myanmar, a small but developing insurance market.

I also visited some of the divisions within Australasia. I attended the New Zealand division conference in June and was invited to present. The conference has been held in Wellington for many years and the current council took the move of shifting it to Auckland, a move that I believe was successful and credit must go to them for their efforts.

I also attended the Victorian function in May and met many loss adjusters there, and have been invited to the Queensland lunch in October.

As well as activities within AICLA we also liaise with other external bodies. AICLA made a submission to the ICA Code of Practice review urging them to introduce minimum standards for loss adjusters. We were very clear that we did not desire those to be tied to AICLA – that would be anti-competitive and self-serving. But, we felt it important that someone going to deal with a homeowner or business, in what could be their biggest financial transaction for many years, should have some minimum standard of education. We also visited ICA and discussed this and other issues with them, and we were well received. We await the outcome of the Code review in due course.

I have spoken in LA News, as have many presidents before me, of the challenges of loss adjusting. The aging of the loss adjusting “fleet”, the propensity of insurers to look at non loss adjusting solutions (such as builders), in-housing and, of course, technology are all concerns for loss adjusting. These are not just an Australian concern or a Singapore concern or an Indonesian concern; these are issues of global concern. We have therefore also been talking with CILA in the UK to discuss matters of mutual interest, such as the global standing of adjusters and mutual recognition of qualifications. This is an example of the “invisible” work that AICLA does in the background.

I wish to congratulate the various AICLA prize winners whose names appear in the following operations report for their high academic achievements.

This year has not been a year in which startling revelations have occurred, but there has been a lot of work, in the background, managing AICLA and dealing with the various concerns that arise. In that regard, I must thank Tony Libke and his team; Adrian, Ash and Clare.

I look forward to seeing many of you at division activities, the Sydney Claims Convention, or in Bali in 2018.



Leon Briggs
President

OPERATIONS

REPORT



Tony Libke
CHIEF EXECUTIVE

The reporting year 2016/17 was marked by the completion of the history project and 20th anniversary of the establishment of AICLA, both milestone achievements. Other major activities during the year included the Australian and Asian Claims Conventions, Trainee Loss Adjusters' Workshop, the high level of Division activities, review of the Diploma course structure, continued development of CPD on-line material and significant activity in Asia via workshops and the Claims Technician Course.

Membership stands at 878 with divisions located in all Australian States, New Zealand and Asia. A total of 59 (48 in 2015/16) members joined AICLA during 2016/17. The International Division, predominantly made up of members based in Asia is the largest division with almost 250 members from 21 countries. Jaye Kumar the International Development Director continues to work closely with the International Division Council and other contacts in emerging countries to expand AICLA's penetration outside of Australia and New Zealand.

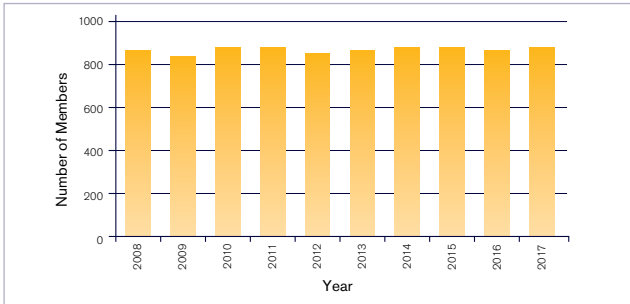
With a significant number of experienced members retiring each year it is important that those entering the profession continue to be encouraged to undertake studies in the Diploma of Loss Adjusting course to equip them to meet the challenges facing loss adjusters.

AICLA receives strong support from loss adjusting firms who encourage their staff to be members of AICLA and complete loss adjusting studies.

Membership Numbers

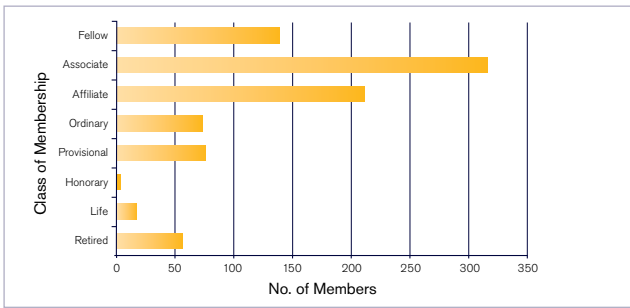
The following chart provides the break-up of membership by Divisions and Classes of Membership. Classes of Membership are divided into five principal categories **Fellow, Associate, Affiliate, Ordinary and Provisional**.

The membership structure requires Provisional members, within three years from the date of joining, to complete studies to progress to Affiliate membership. This has helped support the continuing strong level of enrolments in the Diploma of Loss Adjusting.

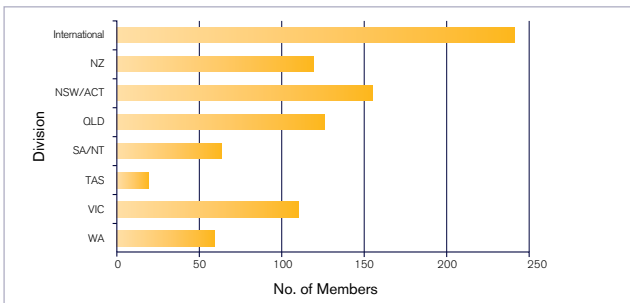


The membership criteria enables loss adjusters who are highly experienced and academically qualified to join as Affiliate members. The pathway to Associate membership distinguishes between those qualifying by examination and those achieving the diploma by recognition of prior learning. Also the pathway to Fellowship recognises members of long standing.

Classes of Membership

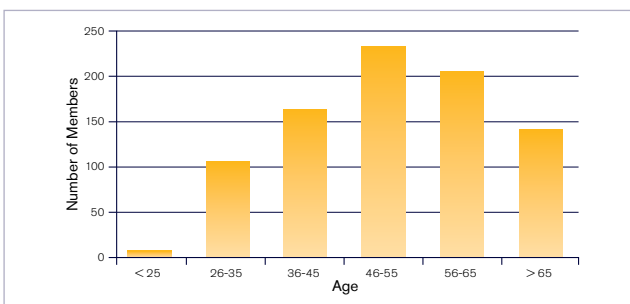


Division/Branch Membership



Membership Age Profile & Gender

AICLA is aware of the challenge facing loss adjusting organisations to attract and retain younger employees. AICLA supports the efforts of employers through the tiered membership structure, career packs and targeted training courses including the Diploma of Loss Adjusting course, seminars, workshops, conventions and on-line tutorials. Data is collected on the age of members and we track over time membership trends. Members under 45 years total 32% of members and females represent

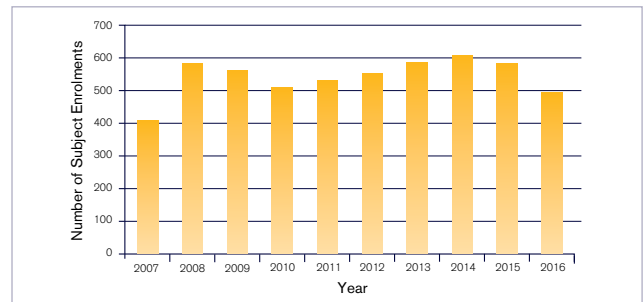


10% of membership. Encouragingly females represented 32% of enrolments in the Diploma of Loss Adjusting in 2016, which is the highest level to date.

EDUCATION AND TRAINING

Underpinning any profession are educational and training standards. AICLA in conjunction with ANZIIF our diploma delivery provider has in place the **Diploma of Loss Adjusting** study course which forms the basis for advancement within AICLA. The Diploma is highly regarded and is currently being reviewed with ANZIIF to ensure it remains contemporary and the leading course for those working in loss adjusting and others seeking a career in loss adjusting. Diploma subject enrolments for 2016 were 492 (556 in 2015) however the enrolments for 2016 do not include two new skills units introduced by ANZIIF. Pricing arrangements entitle AICLA members to lower diploma enrolment fees and discounted pricing for members in Asia.

AICLA and ANZIIF have been in discussions to transition the Diploma modules to skills units. This will bring about a re-alignment between the AICLA Associate membership (Chartered Loss Adjuster status) and the Diploma of Loss Adjusting course. Full details of the membership pathways are contained in the document **Qualifications and Rights for Classes of Membership** available on the website www.aicla.org.



The Trainee Loss Adjusters’ workshop is held annually in Sydney and has received excellent feedback from attendees. This workshop is held the day before the Claims Convention and targets practical topics for young loss adjusters and those relatively new to the profession.

AICLA’s mid-tier qualification, the **Certificate in Loss Adjusting Practice** comprises four modules from the Diploma of Loss Adjusting. Completion of this certificate entitles a member to **Affiliate** membership status.

AICLA continues to promote to members the importance of achieving **Chartered Loss Adjuster** status. During the year 34 members were elevated to **Associate** or **Fellow** status enabling them to use the title Chartered Loss Adjuster.

AICLA in partnership with the Singapore Insurance Institute continues to run a Claims Technicians Course in Singapore. This course has to date attracted over 300 enrolments and is now being delivered in other Asian countries including the Philippines and Malaysia. Indonesia and Myanmar are looking

to conduct the course in the coming year. The Institute also held during the year a number of successful technical claims workshops in conjunction with local insurance bodies in Asia.

Divisions continue to operate effectively and play an important and active role in the provision of social, networking and educational activities (seminars and workshops) for members. Overall there has been a significant increase in the number and range of activities conducted by Divisions.

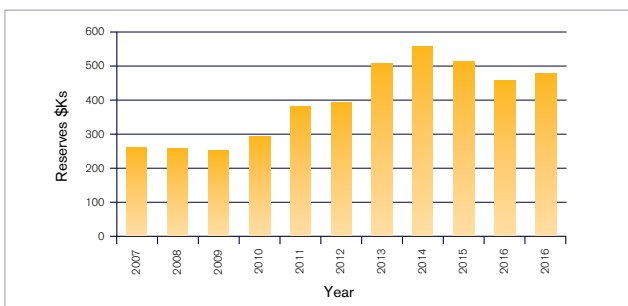
Continuing Professional Development is also very important as it represents a recognition of the need for all members to participate in on-going training to stay abreast of regulatory and general industry changes. The wide geographic spread of membership means that not all members can attend organised seminars and conventions. In response to this training challenge, AICLA has tailored on-line CPD training for members. Members have access to over 85 tutorials of on-line learning material. The content continues to be updated and expanded. On average one new paper is added each month.

CONVENTIONS

The 2017 **Asian Claims Convention** was held in Ho Chi Minh City, Vietnam. The convention was a success with attendees rating the event very highly. With registrations totalling 130 and strong regional support, with attendees from 13 countries, the convention is now established as a major claims convention in Asia.

The joint **AICLA/ANZIIF Claims Convention** in Sydney is the leading event for claims professionals in Australia. The 2016 convention, the 10th joint AICLA/ANZIIF event, featured leading speakers, contemporary topics and attracted over 250 delegates. The revised format of a single day convention followed by dinner proved popular with delegates and sponsors.

FINANCES



The financial performance was pleasing and above the budgeted projection. The overall position was boosted by successful conventions in Australia and Asia and continued growth in diary revenue. Sponsorship for conventions and division events is important and tight market conditions continue to create challenges.

Diary advertising represents a major source of revenue and assists in funding Divisions' activities.

A full set of audited financial accounts for the 2016/2017 financial year follow this report.

COMMUNICATIONS/WEBSITE/ LA NEWS

Communications with members is almost exclusively via email including this Annual Report.

The electronic monthly newsletter "**LA News**" continues to be popular and represents an effective way to communicate with members. Information on a wide range of seminars, workshop, conventions and social activities is disseminated on a regular basis to members and others.

The AICLA website (www.aicla.org) is an important resource with information on membership eligibility, qualifications for classes of membership, division events, suppliers information, member contact details and updates on important topics. Also CPD on-line resources are available to members via the website at no charge. An upgrade to the website is planned for the coming year.

HISTORY PROJECT

The book "**What Killed the Tiger: the Extraordinary History of Australasian Loss Adjusters**" by writer Elizabeth Marx was launched in Adelaide in October 2016 and coincided with the 20th anniversary of the formation of AICLA. With over 400 pages the book chronicles individual personalities and significant events that have shaped the loss adjusting profession in Australasia (Australia, New Zealand, Asia). Many members, current and retired, and families of deceased members contributed material for this project which Elizabeth weaved into an absorbing narrative.

PRIZE WINNERS

Congratulations to the following members on winning AICLA educational prizes during the year.

Loss Adjusting Diploma Prize:

- Lebnan El Hajj, McLarens, New South Wales

Charles Buchanan Prize:

- Nguyen Xuan Son, Viet Adjusters JSC, Vietnam

Syd McDonald Young Adjuster Prize:

- Lebnan El Hajj, McLarens, New South Wales

Ted Cooper Prize (WA):

- Jacob Britten, ASTA Group, Western Australia

New Zealand Division Prize:

- Greg Bray, Crawford & Company, New Zealand

The 2016 Carey Bird Scholarship was awarded to Februzi Regina Nasution from PT Cunningham Lindsey Indonesia.

The criteria for the scholarship and other prizes is available on the website www.aicla.org

Tony Libke

Chief Executive

2016 2017



GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS
ABN 18 074 804 167

INDEX

	PAGE
Directors' Report	6 – 7
Auditor's Independence Declaration	8
Directors' Declaration	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 – 19
Independent Audit Report	20 – 21

DIRECTORS' REPORT

Your Directors present their report on the Australasian Institute of Chartered Loss Adjusters Limited (“the company”) for the year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

- Leon Briggs
- Nick Ackers
- Michael Davies
- Greig Halpin (appointed 9 September 2016)
- Narelle Handley (appointed 31 August 2017)
- Richard Jones (appointed 1 September 2016)
- Glyn Lloyd (appointed 14 September 2016)
- Budi Maharesi
- Craig McLeod
- Gary Sewell
- Michael Collins (resigned 20 October 2016)
- Mark Green (resigned 1 September 2016)
- Keith Patterson (resigned 14 September 2016)
- David Pockett (resigned 31 August 2017)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal continuing activities of the company were concerned with advancing the standards of the profession of loss adjusting and claims management, the dissemination of professional knowledge and education.

The company’s short-term objectives are to:

Achieve a greater awareness of the organization and its role. We also aim to grow membership with a focus on education and quality training activities to allow members to achieve their personal and career objectives.

The company’s long-term objectives are to:

Advance the Profession of Loss Adjusting for the benefit of its practitioners and the public in general.

To achieve these objectives, the company has adopted the following strategies:

The continual education of its Members and the encouragement of skilled, ethical and sound practice in the Profession, the development of training courses and presence at public forums to increase exposure of the institute.

Information on Directors

A summary of qualifications, experience and general responsibilities for each of the company’s Directors is set out as follows:

Director	Qualifications/Experience
Leon Briggs	Mr Briggs was elected President in October 2016. He is an experienced loss adjuster, fellow of AICLA and former chair of the New Zealand division. He holds a commerce degree and is a fellow of CILA and a fellow of ANZIIF.
Nick Ackers	Mr Ackers was appointed director in August 2012. He is an experienced loss adjuster and chair of the Tasmania division. He is a fellow of AICLA and a senior associate of ANZIIF.
Michael Davies	Mr Davies was appointed director in October 2008. He is an experienced loss adjuster and the Education Director for AICLA. He is a fellow of AICLA and fellow of CII.
Greig Halpin	Mr Halpin was appointed director in September 2016. He is an experienced loss adjuster and chair of the New Zealand division. He is an associate of AICLA.
Narelle Handley	Ms Handley was appointed director in August 2017. She is an experienced loss adjuster, affiliate of AICLA and chair of the Victoria division. She holds a diploma in loss adjusting and is an associate of ANZIIF.
Richard Jones	Mr Jones was appointed director in September 2016. He is an experienced loss adjuster, associate of AICLA and chair of the South Australia division. He holds an engineering degree, diploma in financial services (loss adj) and is a senior associate of ANZIIF.

Director	Qualifications/Experience
Glyn Lloyd	Mr Lloyd was appointed director in September 2016. He is an experienced loss adjuster and chair of the Queensland division. He is an affiliate of AICLA.
Budi Maharesi	Mr Maharesi was appointed director in September 2013. He is an experienced loss adjuster and chair of the International division. He is a fellow of AICLA and senior associate of ANZIIF.
Craig McLeod	Mr McLeod was appointed director in September 2015. He is an experienced loss adjuster and chair of the New South Wales division. He is a fellow of AICLA and an associate of ANZIIF.
Gary Sewell	Mr Sewell was appointed director in September 2009. He is an experienced loss adjuster and chair of the Western Australia division. He is a fellow of AICLA, associate of CII, and a fellow of CILA.
Michael Collins	Mr Collins was appointed director in August 2010 and resigned as director on 20 October 2016.
Mark Green	Mr Green was appointed director in September 2014 and resigned as director on 1 September 2016.
Keith Patterson	Mr Patterson was appointed director in December 2010 and resigned as director on 14 September 2016.
David Pockett	Mr Pockett was appointed director in August 2014 and resigned as director on 31 August 2017.

Social Responsibilities

All directors of the Institute are bound by a code of conduct. The directors' code of conduct, adopted in May 2005, outlines the responsibilities and requirements for directors in the company. Directors have an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of the Code.

Meetings of Directors

During the financial year, two meetings of directors were held. Attendances by each director were as follows:

Director	Meetings attended	Meetings eligible to attend
Nick Ackers	1	2
Leon Briggs	2	2
Michael Collins	1	1
Michael Davies	2	2
Greig Halpin	2	2
Richard Jones	1	2
Glyn Lloyd	1	2
Budi Maharesi	2	2
Craig McLeod	2	2
David Pockett	2	2
Gary Sewell	2	2
M. Green	–	–
N. Handley	–	–
K. Patterson	–	–

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2017, the total amount that members of the company are liable to contribute if the company wound up is \$ 43,900 (2016: \$43,800).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



L. Briggs – Director
Wellington, 15 September 2017

PKF Hacketts



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

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

PKF Hacketts

PKF HACKETTS AUDIT

**Shaun Lindemann
Partner**

Brisbane, 15 September 2017

PKF Hacketts Audit
ABN 33 873 151 348

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AUSTRALASIAN INSTITUTE OF
CHARTERED LOSS ADJUSTERS
A.B.N. 18 074 804 167

**AUSTRALASIAN INSTITUTE
OF CHARTERED LOSS ADJUSTERS LIMITED
DIRECTORS' DECLARATION**

The Directors of the company declare that:

- (1) The financial statements and notes, as set out on pages 10 to 19, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards and other mandatory professional reporting requirements of the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company.
- (2) In the directors' opinion there are reasonable grounds to believe that the company 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 the Directors.

L. Briggs – Director
Wellington, 15 September 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	NOTES	2017 \$	2016 \$
Revenue from continuing operations	2	875,388	753,088
Other income	2	6,131	9,030
		881,519	762,118
Operating expenses		502,518	487,684
Meeting expenses		274,075	217,198
Diary expenses		50,757	50,157
Other expenses		14,148	4,971
History of loss adjusting project expenses		26,363	48,829
		867,861	808,839
Profit (Loss) before income tax		13,658	(46,721)
Income tax expense	3	-	-
Profit for the year		13,658	(46,721)
Other comprehensive income for the year		-	-
Total Comprehensive income for the year		13,658	(46,721)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2017

	NOTES	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	574,316	603,631
Receivables	5	31,705	7,784
Current tax assets	8	–	5,350
Prepaid expenses		34,533	29,073
Inventories on hand	6	9,955	–
TOTAL CURRENT ASSETS		650,509	645,838
NON-CURRENT ASSETS			
Property, plant and equipment		2,570	3,814
TOTAL NON-CURRENT ASSETS		2,570	3,814
TOTAL ASSETS		653,079	649,652
CURRENT LIABILITIES			
Payables	7	175,684	185,915
TOTAL LIABILITIES		175,684	185,915
NET ASSETS		477,395	463,737
EQUITY			
Retained earnings		477,395	463,737
TOTAL EQUITY		477,395	463,737

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	510,458	510,458
Loss for the year	(46,721)	(46,721)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	463,737	463,737
Balance at 30 June 2016	463,737	463,737
Profit for the year	13,658	13,658
Other comprehensive income for the year	–	–
Total comprehensive income for the year	13,658	13,658
Balance at 30 June 2017	477,395	477,395

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	NOTES	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		860,983	901,076
Payments to suppliers		(888,919)	(877,924)
Income tax refunded		5,350	6,024
Interest received		2,051	4,119
Net cash (outflow) / inflow from operating activities	9	(20,535)	33,295
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(3,448)
Net cash (outflow) / inflow from investing activities		-	(3,448)
Net increase / (decrease) in cash held		(20,535)	29,847
Effects of functional currency exchange rates		(8,780)	10,361
Cash at beginning of the year		603,631	563,423
Cash and cash equivalents at end of the year	4	574,316	603,631

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

The financial statements cover Australasian Institute of Chartered Loss Adjusters Limited as an individual entity, incorporated and domiciled in Australia. Australasian Institute of Chartered Loss Adjusters Limited is a company limited by guarantee. The financial statements are presented in Australian Dollars.

1. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 15 September 2017 by the directors of the company.

Accounting Policies

a) Revenue

Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

b) Receivables

Trade and other receivables are recognised at the amounts receivable as they are due for settlement within normal trading terms of 30 days or in accordance with contractual terms. The ability to collect trade debtors is reviewed on an ongoing basis. Unrecoverable debts are written off and a provision is made where the ability to collect is uncertain.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

d) Inventories on hand

Inventories are measured at the lower of cost and net realisable value.

e) Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use.

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15 -25%

f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

g) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

h) Goods and services tax

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 Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

i) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively (subject to the comment on hedge accounting below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting. Directors do not expect that these Standards will significantly impact the company's financial statements.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

j) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Only non-member income of the company is assessable for tax, as member income is excluded under the mutuality principle.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2017 \$	2016 \$
2 REVENUE		
Revenue from institute activities:		
Diary income (advert, recoup)	131,897	122,635
Application / exam fees	38,900	42,816
IFAA fellowship	–	5,908
Advertising / Presentations	4,400	3,200
Meetings and seminars	195,414	146,171
History book sales	9,792	–
Subscriptions	310,094	289,359
SCI / AICLA Workshops	13,160	15,055
Claims Technicians Course	9,950	4,680
Asian Claims Convention	117,718	91,126
Gain on currency	–	10,361
Claims Convention	44,063	21,777
	875,388	753,088
Other income:		
Sundry income	4,080	4,911
Interest	2,051	4,119
	6,131	9,030
3 INCOME TAX		
<i>a) Current tax</i>		
Current tax on profits for the year	–	–
	–	–
<i>b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:</i>		
Operating Profit / (Loss) before income tax	13,658	(46,721)
Prima facie tax payable at 27.5% (2016: 28.5%)	3,756	(13,315)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	269,665	213,099
Non-assessable income	(273,990)	(207,641)
Deferred Tax Assets Not Recognised:		
Tax Exempt (Income)/Loss	569	7,857
	–	–
4 CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	355,281	429,596
Deposits	219,035	174,035
Total cash and cash equivalents as stated in the statement of financial position	574,316	603,631
Total cash and cash equivalents as stated in the statement of cash flows	574,316	603,631

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2017	2016
	\$	\$
5 TRADE AND OTHER RECEIVABLES – CURRENT		
Trade debtors	16,050	7,784
Net GST receivables	15,655	–
	31,705	7,784

The company does not have any material credit risk exposure to any single or group of receivables.

6 INVENTORIES ON HAND

CURRENT

At cost:

Books – <i>History of Chartered Loss Adjustment</i>	9,955	–
	9,955	–

7 CURRENT LIABILITIES – PAYABLES

Trade creditors	15,272	30,939
Prepaid revenue	160,412	154,971
Net GST payables	–	5
	175,684	185,915

8 CURRENT TAX ASSETS/(LIABILITIES)

Tax instalments refundable	–	5,350
	–	5,350

9 RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

Profit / (loss) for the year	13,658	(46,721)
Non cash flows:		
(Gain) / loss on foreign currency	8,780	(10,361)
Depreciation expense	1,244	932
Change in operating assets and liabilities:		
(Increase) / decrease in receivables	(23,921)	9,468
(Increase) / decrease in prepayments	(5,460)	(14,249)
(Increase) / decrease in inventories on hand	(9,955)	–
Increase / (decrease) in payables	(10,231)	88,202
Increase / (decrease) in provision for tax	5,350	6,024
Net cash (outflow) / inflow from operating activities	(20,535)	33,295

10 FINANCIAL RISK MANAGEMENT
Financial Risk Management Policies

The finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis, including future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk. Sensitivity analysis has not been disclosed as its results are not deemed to materially impact either the profit and loss for the year ended 30 June 2017, or the balance sheet as at 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10 FINANCIAL RISK MANAGEMENT (cont'd)**(a) Interest Rate Risk Exposures**

The company's exposures to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	\$ Floating interest	\$ Fixed interest	\$ Non interest bearing	\$ Total
2017				
Financial asset				
Cash	219,035	–	355,281	574,316
Receivables	–	–	31,750	31,750
Total	219,035	–	387,031	606,066
Weighted average interest rate	1.18%	–	–	–
Financial liability				
Payables	–	–	15,271	15,271
Total	–	–	15,271	15,271
Weighted average interest rate	–	–	–	–
Net financial asset/(liability)	219,035	–	371,760	590,795
2016				
Financial asset				
Cash	174,035	–	429,596	603,631
Receivables	–	–	7,784	7,784
Total	174,035	–	437,380	611,415
Weighted average interest rate	2.37%	–	–	–
Financial liability				
Payables	–	–	30,939	30,939
Total	–	–	30,939	30,939
Weighted average interest rate	–	–	–	–
Net financial asset/(liability)	174,035	–	406,441	580,476

(b) Fair values

The company's financial assets and liabilities included in current assets and liabilities in the balance sheet are carried at amounts which approximate net fair value.

11 COMMITMENTS

The company had no commitments for expenditure as at 30 June 2017.

12 REMUNERATION OF AUDITORS

	2017	2016
	\$	\$
Remuneration for review of the financial report of the company – PKF Hacketts Audit	8,950	8,950
	8,950	8,950

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13 KEY MANAGEMENT PERSONNEL DISCLOSURES

No executives are employed by the company. The Board has appointed Tony Libke of TAA Consulting as Company Secretary and Chief Executive.

14 RELATED PARTY TRANSACTIONS

As at reporting date, amounts payable to Directors and Director related entities included in current liabilities are as follow:

	2017	2016
	\$	\$
Budi Maharesi	–	6,492
Leon Briggs	–	701
Craig McLeod	175	–
	<u>175</u>	<u>7,193</u>

The amounts payable relate to expenses incurred on traveling costs for seminars and meetings reimbursable to the Directors.

15 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

16 CONTINGENT ASSETS AND LIABILITIES

The Directors are not aware of any contingent assets and liabilities in existence at the balance sheet date, nor at the date of signing the financial report.

17 MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the company. As at 30 June 2017 the number of members was 878 (2016: 876).

18 CAPITAL MANAGEMENT

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis, including future cash flow requirements.

The company's capital consists of financial liabilities, supported by financial assets. Management effectively manages the company's capital by assessing the company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the company since the previous year.

19 PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

The registered office and principal place of business is:

2nd Floor
190 Edward Street
Brisbane QLD 4000

20 SUBSIDIARIES

The Institute of Claims Technicians Pty Ltd ('ICT') is incorporated in Australia and is 100% owned by the company. There were 5 members of ICT during the year.

ICT continues to have minimal operating activities or transactions.

PKF Hacketts



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS LIMITED

Report on the Financial Report

We have reviewed the accompanying financial report of Australasian Institute of Chartered Loss Adjusters Limited ("the company"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2017 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and *Corporations Regulations 2001*. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Accounting Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

PKF Hacketts Audit
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PKF Hacketts



**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS
OF AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS LIMITED
(continued)**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Australasian Institute of Chartered Loss Adjusters Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and *Corporations Regulations 2001*.

PKF Hacketts

PKF Hacketts Audit

A handwritten signature in black ink, appearing to read 'S. Lindemann'.

**Shaun Lindemann
Partner**

Brisbane, 15 September 2017



**Australasian Institute of
Chartered Loss Adjusters**

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