

Annual Report

2013/14



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, 30 October 2013 at the Kawau Room, Mercure Auckland, 8 Customs Street, Auckland, New Zealand
at 4.30pm.**

BUSINESS

1. To receive the President's report for 2013/14.
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 2014.
3. To receive advice of the election of Office Bearers for 2014/15.

By order of the Board
16 September 2014

A.O. LIBKE B.Bus ACIS
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.

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PRESIDENT'S REPORT



MICHAEL COOKE
President

I am pleased to report that AICLA experienced a very successful year in 2013/14.

The third Asian Claims Convention was held 2-3-4-April 2014 in Singapore headed by the renowned UK Loss Adjuster Alan Cleary and CC14 in Sydney again achieved a record number of delegates. The workshop for trainee adjusters was very well supported. A significant increase in membership occurred and an increase in enrolments to the Diploma of Loss Adjusting course.

I have continued my emphasis on education through many of my LA News articles and presentations to Divisions in Australia, Asia and New Zealand. We need to achieve and maintain quality in our work to enhance our reputation as loss adjusters and to reinforce to the insurance industry that we should be their first choice in claims assessments.

The second full day trainee loss adjusters' workshop was held in Sydney the day before the CC14. The presenters were some of AICLA's finest: representatives from Australia and New Zealand, and a legal practitioner. The course was highly rated by attendees. I sincerely thank those volunteers for their support. A similarly structured workshop will be held again on the day before CC15, so please keep this event in mind.

The Carey Bird Scholarship, named in honour of our AICLA member who was tragically killed whilst working in Christchurch during the 2011 earthquake, is open to members under 40 years of age and any member studying the Diploma of Loss Adjusting. The topic was an essay on a claims scenario and we were pleased with the quality of papers presented. This year's winner was Chris McAuliffe from Cerno Ltd.

To continue promoting education, AICLA has commenced the development of a number of training modules for members' professional development. These educational packages can be presented at Division level by experienced adjusters in a workshop environment. The packages have been developed to appeal to all levels of members. Two have been completed and there will be more over the coming year.

The highlights of my second year as President were:

Attending the Queensland annual luncheon on 1 November 2013, the first of my visits with Chief Executive Tony Libke to all Divisions. This function is very popular, an opportunity for

members to invite industry guests, promote AICLA and enjoy fellowship. It was a most enjoyable event and gave me the opportunity to meet current and retired members.

I visited Adelaide in November where the SA Division held a seminar. The attendance of approximately 50 was outstanding.

A luncheon meeting was held in Perth for WA members with lively discussion on a range of matters .

I had the pleasure of attending the Victorian Divisions pre-Christmas function and diary presentation at the MCG on 9 December 2013 with 190 guests.

In February 2014 members' meetings were held in Melbourne and Sydney. Both events were successful with good attendance. In Melbourne a full day iAdjust seminar attracted approximately 55 attendees from across the claims industry. The Sydney event was a twilight seminar with approximately 40 attendees. A well-attended function was also held in Hobart in March .

In May, Tony and I attended the New Zealand Division annual conference and AGM. The division is extremely well run and supportive of AICLA, with members travelling from across the country to attend in Wellington.

I was pleased to be able to attend these meetings with all Divisions in my term as President and I am delighted at the engagement and level of participation by members. It is clear that members are interested in the AICLA education and training programmes and also the changes to membership pathways that provide greater flexibility. At division meetings, what was clearly evident was a strong sense of camaraderie. Having people interested and involved in AICLA activities is vitally important to the continued strength of the institute.

I attended the ICA annual Regulatory Seminar in Sydney, which had a number of interesting and relevant presentations including the new ICA Code of Practice which came into operation on 1 July 2014.

In March 2014, Tony, Michael Davies Education Director, and I held a formal meeting with the new ANZIIF CEO Prue Wilsford. Prue reconfirmed ANZIIF's commitment to the strong partnership we have developed in respect of the Diploma of Loss Adjusting and Claims Convention. We also explored other areas of possible closer involvement including promoting insurance (loss adjusting) at career events in schools and universities and promotion of seminars and workshops conducted by AICLA in regional and country areas to ANZIIF members. We will be meeting with ANZIIF in the near future to discuss on-going contracts and to look at the Diploma and how we can improve it further.

In April 2014 AICLA held the Asian Claims Convention in Singapore. It was our most successful to date and set high

standards for future events. We are looking forward to next years' ACC to be held in Hong Kong on 24-25-26 March 2015, which is already attracting strong interest.

Tony, Budi Maharesi International Division Chair, and I visited with AICLA members, CEO's of loss adjusting firms, and Insurance Council representatives in Indonesia, Malaysia, Hong Kong and Thailand. AICLA is experiencing rapid growth throughout Asia with members keen to achieve Chartered status. These meetings were very satisfying for me personally and I have appreciated the opportunity to meet with many participants.

During the year, meetings were held with CEO's of major adjusting firms, representatives from the Insurance Council of Australia (ICA), and National Insurance Brokers Association (NIBA) to discuss AICLA's educational diploma, membership levels and our educational development projects such as the trainee adjusters workshop and the professional development workshops for Divisions. These meetings are always rewarding and help to cement our already strong relationship.

At the CC14 dinner I was privileged to award a valued and long serving AICLA member, Paul O'Sullivan of Queensland, Life Membership of AICLA for his service and dedication to our institute. A well deserved recipient of this award.

I am pleased to report that programmes listed below have been approved by the Board and many are well underway:

- Women in Loss Adjusting
- Upgrade to the AICLA website
- The history of Loss Adjusting in Australian, New Zealand and Asia, currently being written by Elizabeth Marx.
- CPD Workshops

I wish to thank those who work hard to make AICLA a success: this is achieved through dedication and I thank our Chief Executive, Tony Libke, and his team; dedicated Board members; International Development Director, Jaye Kumar; Education Director, Michael Davies; Committee Chairs and Division Committees all of whom have contributed to the outcomes achieved.

I have enjoyed enormously my two year term as President of AICLA and feel privileged to have served.

Kind Regards
Michael Cooke

OPERATIONS REPORT



TONY LIBKE
Chief Executive

The 2013/14 reporting year was very positive for AICLA. New members joining AICLA reached an all-time high, the Asian Claims Convention and Sydney Claims Convention attracted record attendees and Diploma of Loss Adjusting enrolments were the second highest in history. In other areas the trainee loss adjuster workshop is now firmly established and we have completed the first two CPD Workshops for use by divisions. Also during the year member information meetings at which the President and Chief Executive outlined AICLA activities were held for the first time in all divisions.

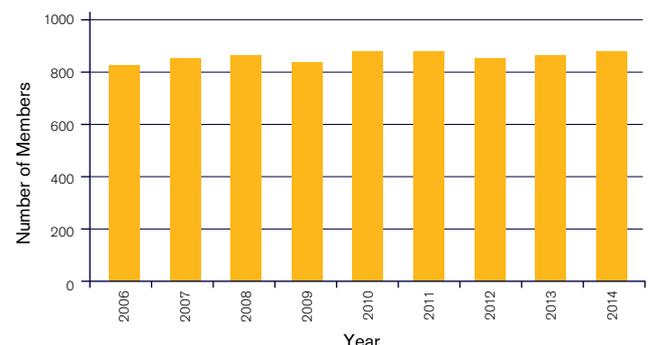
MEMBERSHIP

Membership stands at 886 with the International Division, predominantly made up of members based in Asia the largest division with continued strong growth. Jaye Kumar the International Development Director continues to work closely with the International Division Committee and other contacts in

emerging countries including the Middle East to expand AICLA's penetration outside of Australia and New Zealand. 'A Career in Loss Adjusting' pack designed for persons entering the profession was updated and the range of content expanded. A total of 99 (46 in 2012/13) members joined AICLA during 2013/14 and in three months since 1 July 19 members have joined AICLA.

This record level of new membership is no doubt in part due to the support by the major firms for their loss adjusting staff to be members of AICLA and complete the Diploma of Loss Adjusting. Also the significant reduction in the Diploma enrolment fee, particularly for members in Asia has made it more affordable to join AICLA and complete the Diploma.

Membership Numbers

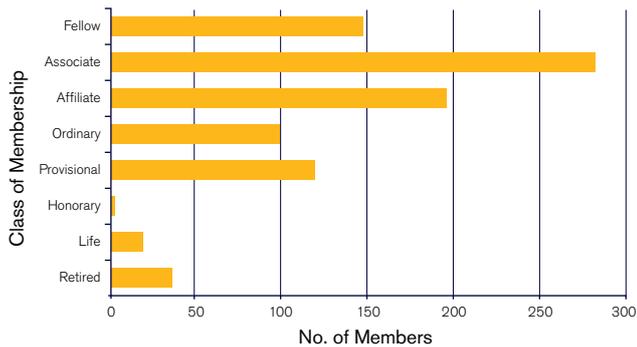


The below charts provide the break-up of membership by Divisions and Classes of Membership. Classes of Membership are divided into five principal categories *Fellow, Associate, Affiliate, Ordinary and Provisional*.

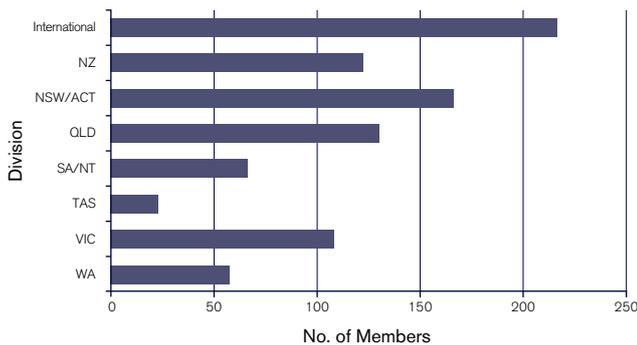
The membership structure requires Provisional members within three years from the date of joining to complete studies to progress to Affiliate membership. This has helped support the continuing strong level of enrolments in the Diploma of Loss Adjusting.

Changes to the membership criteria now enable loss adjusters who are highly experienced and academically qualified to join as Affiliate members. The pathway to Associate membership distinguishes between those qualifying for the Diploma of Loss Adjusting by examination and those achieving the diploma by recognition of prior learning. Also the pathway to Fellow membership has been expanded to recognise members of long standing.

Classes of Membership



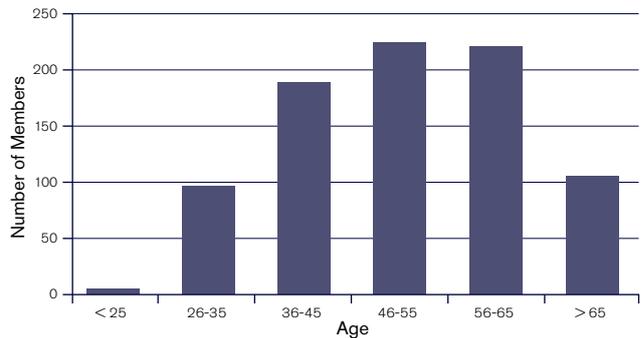
Division Membership



Membership Age Profile & Gender

AICLA is aware of the challenge facing loss adjusting organisations to attract and retain younger employees. AICLA is endeavouring to support the efforts of employers through the tiered membership structure, career packs and targeted training courses. Data is collected on the age of members and we track over time membership trends. Members under 45 years total 34% of members and females represent 10% of total membership. Encouragingly females represent 25% of enrolments in the Diploma of Loss Adjusting.

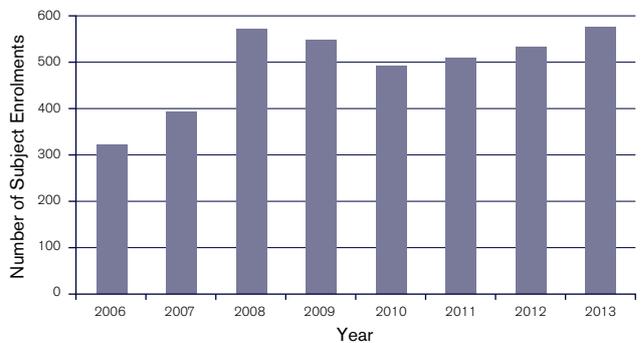
Age Profile



EDUCATION AND TRAINING

Underpinning any profession are educational and training standards. AICLA in conjunction with ANZIIF our diploma delivery provider has in place the nine module *Diploma of Loss Adjusting* which forms the basis for advancement within AICLA. The Diploma is highly regarded and continues to be reviewed and updated 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 2013 were 590 compared with 554 in 2012. A new pricing arrangement was introduced from 1 January 2013 with AICLA members being eligible for a lower enrolment fee.

Diploma of Loss Adjusting



The Trainee Loss Adjusters' workshop is held annually in Sydney and has received excellent feedback from attendees. This workshop is now held just prior to the Claims Convention.

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 19 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 100 enrolments and a similar

course now being delivered by the Arab Loss Adjusters in Dubai. Other countries are also considering the course.

AICLA in conjunction with the Singapore College of Insurance held a successful workshop in Singapore.

Divisions continue to operate effectively and play an important role in the provision of social, networking and educational activities (seminars and workshops) for members.

Continuing Professional Development is also very important as it represents a recognition of the need for all members to participate in ongoing 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 60 papers of online learning material. The content continues to be updated and expanded. To supplement this training AICLA has commissioned a training consultant to work with AICLA members to develop a series of CPD workshops. To date two have been completed, SME Policy Interpretation and Response and Industrial Special Risks (ISR). Further workshops are planned for the coming year.

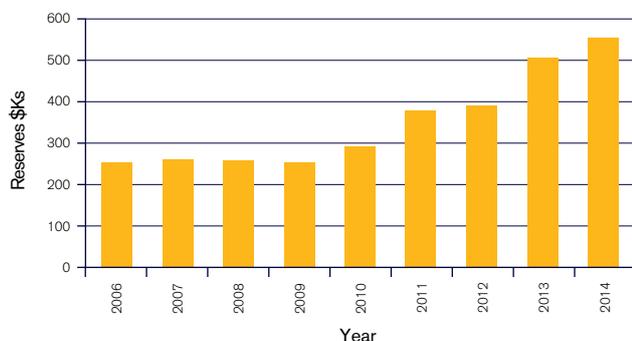
CONVENTIONS

The 2014 *Asian Claims Convention* was held in Singapore. The convention was an outstanding success with attendees rating the event very highly. With registrations of over 130 and growing sponsor support this convention has quickly established itself as the major claims convention in Asia.

The joint *AICLA/ANZIIF Claims Convention* in Sydney continues to grow. We continue to receive very strong support from sponsors for this event. The convention is the leading event for claims professionals in Australasia.

FINANCES

Financial Reserves



The financial outcome was aided by strong receipts from; the diploma course, diary advertising, claims conventions in Australia and Asia, workshops and subscriptions. The AICLA diary remains an important source of revenue and we thank diary advertisers

for their continued support. Diary advertising revenue represents a significant source of income for divisions. Most divisions now have paid secretarial support to organise functions and conduct division administrative activities.

A full set of audited financial accounts for the 2013/2014 financial year follow this report.

COMMUNICATIONS/WEBSITE/LA NEWS

Communications with members is almost exclusively via email. A significant number of members have elected to receive the Annual Report electronically.

The electronic monthly newsletter '*LA News*' continues to be popular and represents an effective way to communicate with members. '*Insurance and Risk Professional*' is distributed to members and is a valuable source of information. Members in the International Division receive the magazine electronically.

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 online resources are available to members via the website at no charge.

PRIZE WINNERS

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

- Loss Adjusting Diploma Prize – Daniel Ong (Singapore)
- Charles Buchanan Prize – Amy Moore (South Australia)
- Syd McDonald Young Adjuster Prize – Daniel Ong (Singapore)
- Brian Geraghty Prize (QLD) – Angela Hawken

The 2014 Carey Bird Scholarship was awarded to Christopher McAuliffe from Cerno in New South Wales.

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

Tony Libke
Chief Executive

General Purpose Financial Report

FOR THE YEAR ENDED
30 JUNE 2014

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Australasian Institute of
Chartered Loss Adjusters

DIRECTORS' REPORT

Your Directors present their report on the entity Australasian Institute of Chartered Loss Adjusters Limited ("the company") for the year ended 30 June 2014.

Directors

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

- Michael Cooke
- Nick Ackers
- Christine Boardman (appointed 4 September 2013)
- Leon Briggs
- Michael Collins
- Michael Davies
- Mark Green (appointed 15 September 2014)
- Budi Maharesi (appointed 5 September 2013)
- Keith Patterson
- David Pockett (appointed 25 August 2014)
- Gary Sewell
- Mark Rogers (resigned 25 August 2014)
- Stephen Kwang (resigned 5 September 2013)
- Kevin McElhenny (resigned 4 September 2013)

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 entity 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
Michael Cooke	Mr Cooke was elected President in October 2012. He is an experienced loss adjuster and holds an insurance diploma. He is a fellow of AICLA and a senior associate 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.
Christine Boardman	Ms Boardman was appointed director in September 2013. She is an experienced loss adjuster and chair of the New South Wales division. She is a fellow of AICLA and senior associate of ANZIIF.
Leon Briggs	Mr Briggs was appointed director in May 2011. He is an experienced loss adjuster, fellow of AICLA and chair of the New Zealand division. He holds a commerce degree and is a fellow of CILA.
Michael Collins	Mr Collins was appointed director in August 2010. He is an experienced loss adjuster and immediate past chair of the South Australia division. He is an associate 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.
Mark Green	Mr Green was appointed director in September 2014. He is an experienced loss adjuster and elected chair of the South Australia division. He is an affiliate of AICLA.

Director	Qualifications / Experience
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.
Keith Patterson	Mr Patterson was appointed director in December 2010. He is an experienced loss adjuster and chair of the Queensland division. He holds a diploma in loss adjusting, is an associate of AICLA and a senior associate of ANZIIF.
David Pockett	Mr Pockett was appointed director in August 2014. He is an experienced loss adjuster and chair of the Victoria division. He holds diplomas in loss adjusting and general insurance and is an associate of AICLA and 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.
Mark Rogers	Mr Rogers was appointed director in August 2011 and resigned as director on 25 August 2014.
Stephen Kwang	Mr Kwang was appointed director in August 2011 and resigned as director on 5 September 2013.
Kevin McElhenny	Mr McElhenny was appointed director in August 2010 and resigned as director on 4 September 2013.

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
Christine Boardman	2	2
Leon Briggs	1	2
Michael Collins	2	2
Michael Cooke	2	2
Michael Davies	2	2
Mark Green	-	-
Stephen Kwang	-	-
Budi Maharesi	2	2
Kevin McElhenny	-	-
Keith Patterson	1	2
David Pockett	-	-
Mark Rogers	2	2
Gary Sewell	2	2

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 2014, the total amount that members of the company are liable to contribute if the company wound up is \$ 44,300 (2013: \$43,250).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 8 of the financial report.

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



M. Cooke - Director
Tasmania, 23 September 2014

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, in relation to our review for the year ended 30 June 2014 there have been:

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

PKF Hacketts Audit

Brisbane, 23 September 2014

**Shaun Lindemann
Partner**

PKF Hacketts Audit
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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 entity declare that :

- (1) The financial statements and notes, as set out on pages 10 to 21, 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 2014 and of the performance for the year ended on that date of the entity.
- (2) In the directors' opinion there are reasonable grounds to believe that the entity 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.

M. Cooke - Director
Tasmania, 23th September 2014

Statement of Comprehensive Income for the Year Ended 30th June 2014

	NOTES	2014 \$	2013 \$
Revenue from continuing operations	2	801,425	752,092
Other income	2	21,696	24,342
		823,121	776,434
Operating expenses		503,177	431,958
Meeting expenses		204,275	169,749
Diary expenses		45,884	47,970
Other expenses		10,279	4,939
		763,615	654,616
Profit (Loss) before income tax		59,506	121,818
Income tax expense	3	(10,937)	(5,973)
Profit for the year		48,569	115,845
Other comprehensive income for the year		-	-
Total Comprehensive income for the year		48,569	115,845

The accompanying notes form part of these financial statements.

Statement of Financial Position for the Year Ended 30th June 2014

	NOTES	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	582,238	558,600
Receivables	5	19,133	8,586
Prepaid expenses		7,177	4,125
TOTAL CURRENT ASSETS		608,548	571,311
TOTAL NON-CURRENT ASSETS			
		-	-
TOTAL ASSETS		608,548	571,311
CURRENT LIABILITIES			
Payables	6	49,713	63,908
Current tax liabilities	7	6,325	3,462
TOTAL CURRENT LIABILITIES		56,038	67,370
TOTAL NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		56,038	67,370
NET ASSETS		552,510	503,941
EQUITY			
Retained earnings		552,510	503,941
TOTAL EQUITY		552,510	503,941

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the Year Ended 30th June 2014

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2012	388,096	388,096
Profit for the year	115,845	115,845
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>115,845</u>	<u>115,845</u>
Balance at 30 June 2013	503,941	503,941
Profit for the year	48,569	48,569
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>48,569</u>	<u>48,569</u>
Balance at 30 June 2014	552,510	552,510

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30th June 2014

	NOTES	2014 \$	2013 \$
Receipts from members and customers		841,865	834,788
Payments to suppliers		(818,914)	(752,979)
Income tax refunded (paid)		(8,075)	386
Interest received		12,264	15,711
Net cash (outflow) / inflow from operating activities	8	27,140	97,906
Net increase (decrease) in cash held		27,140	97,906
Effects of functional currency exchange rates		(3,502)	4,577
Cash at beginning of the year		558,600	456,117
Cash and cash equivalents at end of the year	4	582,238	558,600

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2014

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 23 September 2014 by the directors of the company.

Accounting Policies

a) Revenue

Revenue is recognised when the amount of revenue can be reliably measured, 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) 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.

e) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

f) 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.

g) 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 2017).

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.

AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Company's financial statements.

AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Company's financial statements.

h) 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.

2 REVENUE

Revenue from institute activities:

	2014 \$	2013 \$
Diary income (advert, recoup)	121,165	108,234
Application / exam fees	43,821	46,224
IFAA fellowship	5,016	4,269
Advertising / Presentations	2,850	1,000
Meetings and seminars	103,071	119,051
Merchandise sales	292	46
Subscriptions	274,958	277,788
SCI / AICLA Workshops	10,039	5,143
Claims Technicians Course	9,000	6,708
Asian Claims Convention	160,656	101,638

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2014 \$	2013 \$
2 REVENUE (CONTINUED)		
Gain on currency	-	4,577
Claims Convention	70,557	77,414
	801,425	752,092
Other income:		
Sundry income	9,432	8,631
Interest	12,264	15,711
	21,696	24,342
3 INCOME TAX		
Operating Profit / (Loss) before income tax	59,506	121,818
Prima facie tax payable at 30%	17,852	36,545
Tax effect of permanent differences due to mutuality differences	(6,915)	(30,572)
Income tax attributable to taxable profit	10,937	5,973
Income tax attributable to operating profit comprises :		
Income tax paid	4,612	2,511
Current Year Tax Payable / (Refundable)	6,325	3,462
	10,937	5,973
4 CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	163,203	94,565
Deposits	419,035	464,035
Total cash and cash equivalents as stated in the statement of financial position	582,238	558,600
Total cash and cash equivalents as stated in the statement of cash flows	582,238	558,600
5 TRADE AND OTHER RECEIVABLES – CURRENT		
Trade debtors	13,075	2,289
Net GST receivables	6,058	6,297
	19,133	8,586
The entity does not have any material credit risk exposure to any single or group of receivables.		
6 CURRENT LIABILITIES – PAYABLES		
Trade creditors	19,733	27,213
Prepaid revenue	29,980	36,695
	49,713	63,908
7 CURRENT TAX LIABILITIES		
Current tax liabilities	6,325	3,462
	6,325	3,462

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2014 \$	2013 \$
8 RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) for the year	48,569	115,845
Non cash flows (gain) / loss on foreign currency	3,502	(4,577)
Change in operating assets and liabilities:		
(Increase) / decrease in receivables	(10,547)	31,985
(Increase) / decrease in prepayments	(3,052)	(2,182)
Increase / (decrease) in payables	(14,195)	(49,523)
Increase / (decrease) in provision for tax	2,863	6,358
Net cash (outflow) / inflow from operating activities	27,140	97,906

9 FINANCIAL RISK MANAGEMENT
Financial Risk Management Policies

The finance committee's overall risk management strategy seeks to assist the entity 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 2014, or the balance sheet as at 30 June 2014.

(a) Interest Rate Risk Exposures

The entity'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
2014				
Financial asset				
Cash	419,035	-	163,203	582,238
Receivables	-	-	19,133	19,133
Total	419,035	-	182,336	601,371
Weighted average interest rate	2.93%	-	-	
Financial liability				
Payables	-	-	19,733	19,733
Total	-	-	19,733	19,733
Weighted average interest rate	-	-	-	
Net financial asset/(liability)	419,035	-	162,603	581,638

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(a) Interest Rate Risk Exposures (continued)

	Floating interest	\$ Fixed interest	\$ Non interest bearing	\$ Total
2013				
Financial asset				
Cash	465,164	-	93,436	558,600
Receivables	-	-	8,586	8,586
Total	465,164	-	102,022	567,186
Weighted average interest rate	3.38%	-	-	
Financial liability				
Payables	-	-	27,213	27,213
Total	-	-	27,213	27,213
Weighted average interest rate	-	-	-	
Net financial asset/(liability)	465,164	-	74,809	539,973

(b) Fair values

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

10 COMMITMENTS

The company had no commitments for expenditure as at 30 June 2014 and 30 June 2013.

11 REMUNERATION OF AUDITORS

	2014	2013
Remuneration for review of the financial report of the company	\$	\$
– PKF Hacketts Audit	8,755	8,500
	8,755	8,500

12 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.

13 RELATED PARTY TRANSACTIONS

There were no transactions, amounts payable to and receivable from Directors and Director related entities.

14 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 entity in future financial years.

15 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16 MEMBERS' GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity 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 entity. As at 30 June 2014 the number of members was 886 (2013: 865).

17 CAPITAL MANAGEMENT

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

18 PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

The registered office and principal place of business is:

2nd Floor, the Canegrowers' Building
190 Edward Street
Brisbane QLD 4000

19 SUBSIDIARIES

The Institute of Claims Technicians Pty Ltd ('ICT') is incorporated in Australia and is 100% owned by the company. There were no members of ICT during the year.

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 2014, 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*, 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 2014 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*.

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**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 2014 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and *Corporations Regulations 2001*.

PKF Hacketts Audit

**Shaun Lindemann
Partner**

Brisbane, 23 September 2014



Australasian Institute of Chartered Loss Adjusters

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