



Australasian Institute of Chartered Loss Adjusters

ANNUAL REPORT | 2009:10



NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Australasian Institute of Chartered Loss Adjusters will be held on **Thursday, 21 October 2010 at Boardroom XV, Four Points by Sheraton, 161 Sussex Street, Sydney Australia 2000 at 4.30pm.**

Business

1. To receive the President's report for 2009/10.
2. To receive and consider the Balance Sheet, 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 2010.
3. To receive advice of the election of Office Bearers for 2010/11.

By order of the Board
17 September 2010

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



Ian McWalter

The year 2009/10 being the final year of my tenure has, in some ways, been a consolidation of the previous year in so far as much of my time, in some way or other, has been given over to promoting the profession of loss adjusting. That however is perhaps a given for any president.

In June 2010 our Communications and Profile Campaign and in which I was ably assisted by Philip Maguire came to a conclusion. Philip was able to open many doors for us and I can say, with confidence, there are certainly a larger number of upper level managers within the insurance companies who are now aware of our presence.

What became clear however from these various meetings is that the overall knowledge of our institute and what we do is, within the insurance industry, not as widely known as it could be. In this respect it has to also be up to each and every one of us to tell people about AICLA and what it represents.

The various events I attended, divisions visited and numerous speaking opportunities included involvement in the ANZIIF Insurance Industry's Awards, the NIBA and RIMA conferences, the New Zealand division conference and the most recent CC10 convention.

Once again I visited Hong Kong, Malaysia and Singapore and also attended our first meeting in Jakarta.

In the last annual report I noted that in my first LA news I had indicated that the theme of my presidency would be one of help. A president's second year is very much one of both consolidation and also putting into place the building blocks for the incoming president. That cannot be achieved without a great deal of help from many different quarters.

I must therefore extend my thanks to everyone I have met and engaged with for your unstinting hospitality and help provided.

Education, Accreditation and Promotion

There has been, I think, much soul searching from many members over the years as to what exactly the role of the institute should be. Should we be actively engaged in lobbying, and, if so, to what extent and for what? Should we be promoting the livelihoods of individual members? Should we simply be an institute providing an educational system?

I would answer this question by saying within the last year it has become increasingly apparent to me that, of what might be termed the "three tenets" of AICLA, namely education, accreditation and promotion, it is education where our primary focus should be concentrated.

There are some who will see education as simply a formal educational process.

As I indicated in the last annual report we already have an enviable education system in the Diploma of Financial Services (Loss Adjusting).

Education can be seen however, in my view, in a larger context to include educating the insurance market to understand the role of loss adjusters and the benefits of using a loss adjuster belonging to AICLA.

That form of education can be undertaken in conjunction with the more formal view of education.

What is apparent however is that there is no great appetite amongst most loss adjusting companies for AICLA to be seen as promoting their own particular interests. Particular business interests are too diverse with the potential for too many conflicts.

AICLA, in my view, is about educating Loss Adjusters and educating the insurance industry as a whole to the world of loss adjusting, whether that might range from the age demographics which affect our industry, to issues which affect the loss adjusting community as a whole such as the Code of Practice.

To try and educate the general public I believe is beyond our current scope; let us try and educate the insurance industry to our issues as that is where the majority of loss adjusters work comes from.

Having said all of that, in the next few months AICLA will be taking a survey of you the members to find out what you think about a range of issues. No one can act in isolation and we all need to be in accord with the future direction of the institute.

We need to be mindful however that time and tides change.

In respect to our education system we have now begun the process to determine where we need to be and what our education offerings will need to look like in the coming years. AICLA's education director Michael Davies is actively involved in consultation with a range of groups within the industry. Through the secretariat, AICLA will keep you advised of what is happening and request your input on what are considered critical issues.

Enrolments in the Diploma of Financial Services (Loss Adjusting) remain strong which confirms the need for a formal education qualification.

In the last annual report I noted that we had signed an agreement with the SII (Singaporean Insurance Institute) to licence to them our claims technicians course. I am pleased to report that the course is now up and running

and the first group of candidates are taking the exams in November this year.

We have also continued dialogue with a number of other overseas institutes, including the MII with whom and in conjunction with AMLA (Association of Malaysian Loss Adjusters) we held our first joint International Claims Convention in Kuala Lumpur in Malaysia in April this year. The convention was a success turning a surplus, with over 120 delegates attending from as far afield as India and the UK.

A range of speakers from around the region provided for a varied and interesting program. On the back of this success we have now agreed to hold a second convention in 2011 and are looking to make this either an annual or biennial event.

Our international development director Mr Jaye Kumar undertook an intensive trip to India recently to open dialogue with IISLA (Indian Institute of Insurance Surveyors and Loss Adjusters) and to see what opportunities may be available for both institutes in terms of our formal educational system.

Jaye was very well received and there would appear to be a keen interest in what we have to offer. I have no doubt that my successor will be keeping you abreast of these developments.

CC10

After the success of CC09 it was decided by the organising committee to continue to hold the convention in Sydney. We were again able to build off the previous years' conventions which resulted in higher registration numbers and increased sponsorship over CC09. The convention included presentations and interviews with leaders in the loss adjusting industry, and the insurance industry in general.

Building the numbers and the profile is a year on year issue. We now appear to have gained significant traction but we need to continue to engage with our industry partners to keep the momentum going.

There have, in the past, often been comments from delegates that the convention was too loss adjuster focused; those comments are somewhat less this year. Whilst we need to be mindful that we must cater for our members, in catering to you we also need to be aware that the more people from inside the industry who attend the better it is for everyone.

We will shortly be entering into negotiations with ANZIIF for 2011 and beyond.

In the last report I indicated that I believed the Convention had the makings of becoming one of the premier insurance events of the year. After CC10 I believe we are well on the road to achieving this.

Industry Liaison

AICLA in the last year has continued and expanded its liaison with industry organisations across the region and further afield in Australia, New Zealand, Malaysia, Singapore, Hong Kong, India, Indonesia and the UK.

In the increasingly global insurance community it is of great importance to forge allegiances and alliances with like minded institutes and organisations and we will continue this focus in the coming year.

Within Australia we continue to have excellent liaison with the Insurance Council of Australia and their Disaster Response Unit led by Mr Karl Sullivan. The communication during many events which have occurred in the last year, particularly in respect to Perth and Melbourne, underpin the importance of clear and sound communication.

Through our past president Mr Stephen Thorpe we also continue to maintain Board representation on the International Federation of Adjusting Associations (IFAA).

Prize Winners and Awards

I congratulate the following members on winning AICLA educational prizes during the year:

Loss Adjusting Diploma Prize – Emily Hart (SA)

Charles Buchanan Prize – Tai Batchelor (NZ)

Syd McDonald Young Adjuster Prize –
Vu Thanh Son (Vietnam)

Ted Cooper Prize (WA) – Michael Pagels

Brian Geraghty Prize (QLD) – Rebecca Douglas

Congratulations to Crawford & Company Australia for winning '**Loss Adjuster of the Year**' at the ANZIIF Insurance Industry Awards.

Acknowledgments

I have found the role of president both rewarding and challenging. It would have been a much lesser reward however without the help and assistance of all of my colleagues on the AICLA Board.

Whilst it is a president's role to both serve and lead, without the boards input and support the many decisions which require to be taken and the policies formulated would be lacking in breadth and scope. I commend everyone who has served with me for keeping AICLA alive and well.

I would also like to single out for special thanks our secretary, Tony Libke, without whose support, and which goes far beyond his tenured position, the institute would be much the less for. His historical knowledge and perspective bring a focus to the boards decisions.

Finally I would like to thank you the members for your encouragement, ideas and support. Without your voices, without your membership the journey and AICLA would be as nothing.

Kind regards
Ian McWalter

OPERATIONS REPORT



Tony Libke

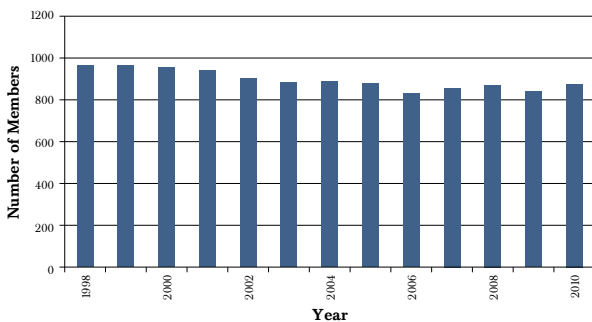
The 2008/09 year was a positive year for AICLA with strong results in a number of key areas. Pleasing was the growth in new members, with most Divisions showing an increase in membership. Major claims conventions were successfully held with joint venture partners ANZIIF in Sydney and the Malaysian Insurance Institute in Kuala Lumpur. Transfer of CPD On-Line resources to AICLA's website was completed with significant cost savings. Enrolments in the Diploma of Financial Services (Loss Adjusting) remained strong. The Profile and Communications Campaign concluded in June 2010 with funding for this project achieved from operating revenue. A financial surplus of \$40904 was achieved for the year.

MEMBERSHIP

Membership grew to 876 the highest level since 2005.

Changes in the insurance market in general and loss adjusting profession continue to occur with the merger between two of the major firms in Australia. **'A Career in Loss Adjusting'** pack designed for persons entering the profession has proved to be popular. A total of 77 members joined AICLA during 2009/10.

Membership Numbers

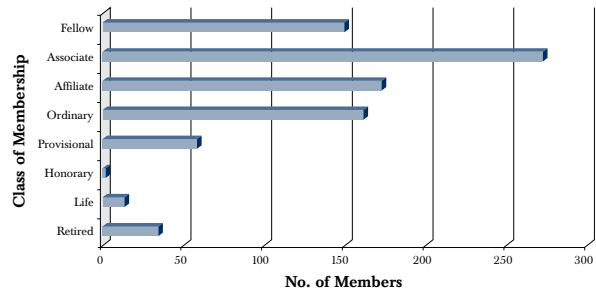


The following chart provides the break-up of membership by Divisions and Classes of Membership. Classes of Membership are divided into five principal categories Fellow, Associate, Affiliate, Ordinary and Provisional.

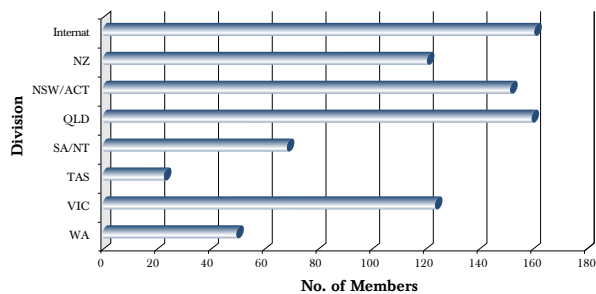
The membership structure requires Provisional members within three years from the date of joining to complete studies to progress to Affiliate membership. This has

helped support the continuing strong level of enrolments in the Diploma of Financial Services (Loss Adjusting).

Classes of Membership



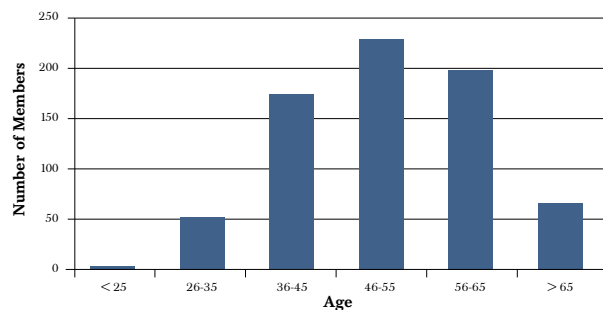
Division/Branch Membership



Membership Age Profile

With the increasing age profile within the insurance industry, 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 revised membership structure, career packs and quality training courses. Data is now being collected on the age of members and it will be very interesting as we track over time membership movements by age. Members under 45 years total 35% of total members.

Age Profile



EDUCATION

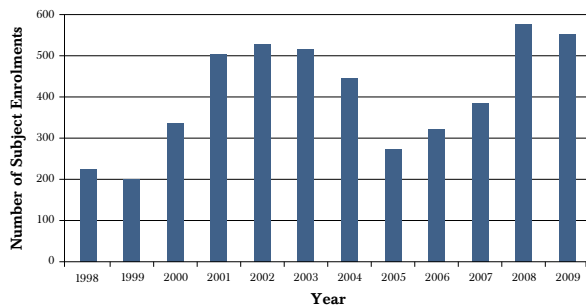
Underpinning any profession are educational and training standards. The Institute in conjunction with ANZIIF has in place an eight module **Diploma of Financial Services (Loss Adjusting)** which forms the basis for advancement within AICLA. The Diploma is highly regarded and continues to be reviewed 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. Loss Adjusting Diploma subject enrolments for 2009 were 559 compared with 584 in 2008 and 404 in 2007.

AICLA's mid-tiered qualification, the **Certificate in Loss Adjusting Practice** comprises four modules from the Diploma of Financial Services (Loss Adjusting). Completion of this certificate entitles a member to **Affiliate** membership. Enrolments in Certificate in Loss Adjusting modules represent by 64% of all diploma enrolments.

The Institute continues to promote to members the importance of achieving **Chartered Loss Adjuster** status. During the year 23 members were elevated to **Associate** or **Fellow** status enabling them to use the title Chartered Loss Adjuster.

Diploma



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, industry and general business changes. Central to CPD activities is regular Division education meetings, Claims Conventions and insurance industry seminars. 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 developed tailored on-line CPD training for members. Members have access to over 25 hours of online learning material. The content continues to be updated and expanded.

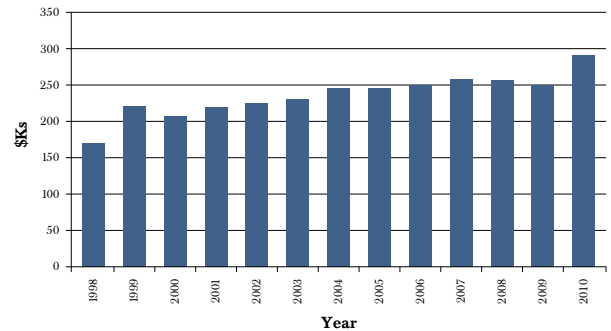
FINANCES

A sound financial outcome was achieved given the commitment to the Profile and Communication Campaign and continued push into Asia. It is the policy of the Board that expenses be tightly managed and maintained within budgets. The Institute diary remains an important source of revenue and we thank diary advertisers for their continued support. Diary advertising revenue represents an important source of income for divisions. Most divisions now employ part time paid secretaries to organise functions and conduct division administrative activities. The major source of Institute

revenue continues to be members' subscriptions, also increasing revenue is generated from claims conventions conducted jointly with ANZIIF and MII.

A full set of audited financial accounts for the 2009/2010 financial year follow this report.

Financial Reserves



Communications/Website/LA News

The preferred method of communication by members is via the internet. Email addresses for over 96% members have been recorded. The vast majority of all communication to members is now made by email. Currently 447 members have nominated 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. The newsletter is well supported by contributions from Divisions.

The magazine "*Insurance and Risk Professional*" is distributed to members and this publication is a valuable source of information for members.

The Institute website 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.

Tony Libke
Administrative Officer





Australasian Institute of Chartered Loss Adjusters
and its controlled entities

GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30 June 2010

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DIRECTOR'S REPORT

Your Directors present their report on the entity Australasian Institute of Chartered Loss Adjusters Limited ('the company') for the year ended 30 June 2010.

Directors

The following persons were Directors of the company during the year and continue in office at the date of this report:

- Ian McWalter
- Michael Collins
- Michael Davies
- Ian Lavin
- Kevin McElhenny
- Michael Moutsias
- Peter Pearce
- Gary Sewell
- Grahame Smith
- Jeffery Eng Hye Tan
- David Brown (resigned Aug 2009)
- Jonathan Hubbard (resigned Aug 2010)
- Jaye Kumar (resigned Sept 2009)
- Brett Tidswell (resigned May 2010)

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.

Operating results and review of operations

The net profit after income tax of the entity for the financial year ended 30 June 2010 was \$40,904 (2009 Loss : \$6,648).

Dividends

The company's Constitution prohibits the payment of dividends.

Significant changes in the State of Affairs

There has been no significant change to the nature of the entity's activities or state of affairs during the year.

Events Subsequent to the Balance Date

No matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in financial years subsequent to 30 June 2010.

Future Developments

There are no likely developments in the operations of the entity that are expected to significantly affect the results of the entity subsequent to 30 June 2010.

Environmental Regulations

The entity is not affected by any significant environmental legislation in respect to its activities.

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
Ian McWalter	Mr McWalter was elected President in October 2008. He is an experienced loss adjuster and fellow of AICLA. He previously held positions in AICLA as Director of Education and International Development Director. He holds a law degree and is an associate of CII.
Michael Collins	Mr Collins was appointed director in August 2010. He is an experienced loss adjuster and is chairman 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 is the Education Director for AICLA. He is a fellow of AICLA and fellow of CII.
Ian Lavin	Mr Lavin was appointed director in September 2008. He is an experienced loss adjuster, fellow of AICLA and is chairman of the Queensland division. He is a fellow of ANZIIF.

Kevin McElhenny Mr McElhenny was appointed director in August 2010. He is an experienced loss adjuster and is chairman of the New South Wales division. He holds science and commerce degrees, is an associate of AICLA and a fellow of ANZIIF.

Michael Moutsias Mr Moutsias was appointed director in August 2009. He is an experienced loss adjuster, associate of AICLA and chairman of the Victoria division. He is a fellow of IFAA.

Peter Pearce Mr Pearce was appointed director in September 2007. He is an experienced loss adjuster and chairman of the Tasmanian division. He is an associate of AICLA and a senior associate of ANZIIF.

Gary Sewell Mr Sewell was appointed director in September 2009. He is an experienced loss adjuster and chairman of the Western Australia division. He is a fellow of AICLA, associate of the CII, and a fellow of CILA.

Grahame Smith Mr Smith was appointed director in August 2007. He is an experienced loss adjuster, an associate of AICLA and chairman of the New Zealand division. He is an associate of ANZIIF and a Certified Insurance Professional.

Jeffery Eng Hye Tan Mr Tan was appointed director in March 2007. He is an experienced loss adjuster, a fellow of AICLA and chairman of the International division. He holds a Diploma of Business (Loss Adjusting), is a member of NIA, AIA, IIA, IFC, IFA, CMI, a Certified Insurance Professional, a senior associate of ANZIIF and a fellow of IFAA.

David Brown Mr Brown was appointed director in August 2007 and ceased his position in August 2009.

Jonathan Hubbard Mr Hubbard was appointed director in October 2008 and ceased his position in August 2010.

Jaye Kumar Mr Kumar was appointed director in August 2006 and ceased his position in September 2009.

Brett Tidswell Mr Tidswell was appointed director in October 2008 and ceased his position in May 2010.

Company Secretary

The company Secretary is Tony Libke, details of his qualifications and experience are set out below

Secretary	Qualifications/Experience
Tony Libke	Mr Libke was appointed company secretary in July 1996. He holds a Bachelor of Business, is an associate of the Institute of Chartered Secretaries and an honorary member of AICLA. He is a partner of Utting Libke & Associates which was established in 1985.

Meetings of Directors

Director	Meetings attended	Meetings eligible to attend
Ian McWalter	2	2
David Brown	-	-
Michael Davies	2	2
Jonathan Hubbard	2	2
Jaye Kumar	-	-
Ian Lavin	2	2
Michael Moutsias	2	2
Peter Pearce	2	2
Gary Sewell	2	2
Grahame Smith	2	2
Jeffery Tan	2	2
Brett Tidswell	1	1

Options

The company is limited by guarantee. Its constitution prohibits the issue of shares, debentures or options.

Insurance of officers

During the financial year the company paid a premium to insure the Directors and the secretary of the company.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that maybe brought against the officers in their capacity as officers of the company.

Proceedings on behalf of entity

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the entity with leave of the Court under Section 237 of the Corporations Act 2001.

Auditors

Lawler Hacketts Audit have undertaken the audit of the entity for the year ended 30 June 2010.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the company's auditors, Lawler Hacketts Audit, to provide the Directors with a written Independence Declaration in relation to their audit of the financial report for the year ended 30 June 2010. The Auditor's Independence Declaration is attached and forms part of this Directors' Report.

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



I. McWalter – Director
Sydney, 17 September 2010

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

In relation to our audit of the financial report of Australasian Institute of Chartered Loss Adjusters Limited for the year end 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Lawler Hacketts

Lawler Hacketts Audit

S Lindemann

Shaun Lindemann
Partner

Brisbane, 17 September 2010



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

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

The Directors declare that the financial statements and notes set out on pages 11 to 22:

- (a) comply with Accounting Standards, and
- (b) give a true and fair view of the company's financial position as at 30 June 2010 and of their performance, for the year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company and its controlled entities 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.

Ian McWalter – Director
Sydney, 17 September 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2010

	NOTES	Parent Entity 2010 \$	Consolidated Entity 2009 \$	Parent Entity 2009 \$
Revenue from continuing operations	2	575,466	509,856	509,856
Other income	2	20,687	21,760	21,760
		596,153	531,616	531,616
Administration expenses		318,901	362,345	361,911
Meeting expenses		180,105	118,688	118,688
Diary expenses		51,133	52,203	52,203
Depreciation expense		–	–	–
Other expenses		4,157	4,522	4,033
		554,296	537,758	536,835
Profit (Loss) before income tax		41,857	(6,142)	(5,219)
Income tax expense	3	(953)	(506)	(506)
Profit (loss) for the year		40,904	(6,648)	(5,725)
Other : Comprehensive Income		–	–	–
Total Comprehensive Income		40,904	(6,648)	(5,725)

This statement of comprehensive income should be read in conjunction with the notes to the financial statements.

BALANCE SHEET FOR THE YEAR ENDED 30TH JUNE 2010

	NOTES	Parent Entity 2010 \$	Consolidated Entity 2009 \$	Parent Entity 2009 \$
CURRENT ASSETS				
Cash and cash equivalents	4	309,524	311,291	311,291
Receivables	5	54,030	14,868	14,868
TOTAL CURRENT ASSETS		363,554	326,159	326,159
TOTAL NON-CURRENT ASSETS				
		-	-	-
TOTAL ASSETS		363,554	326,159	326,159
CURRENT LIABILITIES				
Payables	6	73,284	76,851	76,851
Current tax liabilities	7	(584)	(642)	(642)
TOTAL CURRENT LIABILITIES		72,700	76,209	76,209
TOTAL NON-CURRENT LIABILITIES				
		-	-	-
TOTAL LIABILITIES		72,700	76,209	76,209
NET ASSETS		290,854	249,950	249,950
EQUITY				
Retained profits		290,854	249,950	249,950
Reserves	8	-	-	-
TOTAL EQUITY		290,854	249,950	249,950

The balance sheet should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2010

	Parent Entity 2010	Consolidated Entity 2009	Parent Entity 2009
	\$	\$	\$
Total Equity at the Beginning of the Year	249,950	256,699	255,776
Profit for the year	40,904	(6,648)	(5,725)
Changes in Charles Buchanan Prize Reserve	–	(101)	(101)
Total Equity at the End of the Year	290,854	249,950	249,950

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2010

	NOTES	Parent Entity 2010 \$	Consolidated Entity 2009 \$	Parent Entity 2009 \$
Receipts from members and customers		618,442	582,144	581,581
Payments to suppliers		(632,372)	(538,664)	(537,730)
Income tax paid		(584)	767	767
Interest received		12,747	15,624	15,624
Net cash (outflow) inflow from operating activities	9	(1,767)	59,871	60,242
Net (decrease) in cash held		(1,767)	59,871	60,242
Cash at beginning of the year		311,291	251,420	251,049
Cash and cash equivalents at end of the year	4	309,524	311,291	311,291

The cash flow statement should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The financial statements are for Australasian Institute of Chartered Loss Adjusters (AICLA) as an individual entity in the current year, incorporated and domiciled in Australia. Comparatives include the consolidated financial statements of AICLA and controlled entities, and the separate parent entity financial statements. Upon deregistration of a subsidiary in May 2009 (refer Note 20), consolidated financial statements are not required for the year ended 30 June 2010. AICLA Limited is a company limited by guarantee.

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

i Principles of consolidation

The consolidated financial statements presented in the comparatives incorporate the assets and liabilities of the Australasian Institute of Chartered Loss Adjusters Limited (“parent entity”) as at 30 June 2009 and the results of the Institute of Claims Technicians Pty Ltd. As outlined above and in Note 20 to the financial statements, Institute of Claims Technicians Pty Ltd was deregistered during the year ended 30 June 2009.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of comprehensive income from the date on which control commences.

ii 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.

Interest income is recognised on a time proportion basis using the effective interest method.

iii Expenditure

Expenses represent liabilities for goods and services provided to the company and are recognised upon incurrence of the liability.

iv Income Tax

Current income tax expense or revenue is the tax payable on the current year’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

v Cash

Cash includes deposits at call, which are readily convertible to cash on hand, and which are used in the cash management function on a day-to-day basis.

vi Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

vii Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivable and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, payable to, the taxation authority is included with other receivables or payable in the balance sheet.

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 taxation authority, are presented as operating cash flow.

viii Trade and other 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.

ix Inventories

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

x New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements relevant to AICLA Limited and their impact on the company follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the company.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

The company does not anticipate early adoption of any of the above Australian Accounting Standards.

xi. Adoption of New & Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of AICLA Limited.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	Parent Entity 2010 \$	Consolidated Entity 2009 \$	Parent Entity 2009 \$
2 OPERATING REVENUE			
Revenue from institute activities:			
Diary income (advert, recoup, sales)	91,410	97,134	97,134
Application / examination fees	44,720	42,555	42,555
IFAA fellowship	7,058	6,514	6,514
Advertising	1,650	1,205	1,205
Meetings and seminars	133,910	76,692	76,692
Subscriptions	252,470	247,106	247,106
Convention	44,248	38,650	38,650
	575,466	509,856	509,856
Other income:			
Sundry income	7,940	6,136	6,136
Interest	12,747	15,624	15,624
	596,153	531,616	531,616
3 INCOME TAX			
Operating Profit/(Loss) before income tax	41,858	(6,648)	(5,725)
Prima facie tax payable at 30%	12,557	(1,994)	(1,718)
Tax effect of permanent differences due to mutuality differences	(11,604)	2,500	2,224
Income tax attributable to taxable profit	953	506	506
Income tax attributable to operating profit comprises:			
Income tax paid	584	644	644
Current Year Tax Payable / (Refundable)	369	(138)	(138)
	953	506	506
4 CASH AND CASH EQUIVALENTS			
Cash at bank and on hand	17,527	40,791	40,791
Deposits	291,997	270,500	270,500
	309,524	311,291	311,291
5 RECEIVABLES			
Trade debtors	44,969	6,271	6,271
Prepaid Expenses	2000	4,666	4,666
GST receivables	7,061	3,931	3,931
	54,030	14,868	14,868

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	Parent Entity 2010 \$	Consolidated Entity 2009 \$	Parent Entity 2009 \$
6 CURRENT LIABILITIES – PAYABLES			
Trade creditors	26,123	42,809	42,809
Prepaid revenue	47,161	34,042	34,042
	73,284	76,851	76,851
7 CURRENT TAX LIABILITIES			
Current tax liabilities	(584)	(642)	(642)
	(584)	(642)	(642)
8 RESERVES			
Charles Buchanan prize fund			
Balance 1 July	–	101	101
Movement during the year	–	(101)	(101)
Balance 30 June	–	–	–
9 RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) for the year	40,904	(6,648)	(5,725)
Change in operating assets and liabilities:			
(Increase) / decrease in receivables	(39,162)	13,371	12,819
Increase / (decrease) in payables	(3,567)	51,976	51,976
Increase / (decrease) in provision for tax	58	1,273	1,273
Increase / (decrease) in prize fund	–	(101)	(101)
Net cash (outflow) / inflow from operating activities	(1,767)	59,871	60,242

10 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 2010, or the balance sheet as at 30 June 2010.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(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 \$
2010 (parent only)				
Financial asset				
Cash	–	295,542	13,981	309,523
Receivables	–	–	54,031	54,031
Total	–	295,542	68,012	363,554
Weighted average interest rate	–	3.68%	–	–
Financial liability				
Payables	–	–	72,700	72,700
Total	–	–	72,700	72,700
Weighted average interest rate	–	–	–	–
Net financial asset/(liability)	–	295,542	(4,688)	290,854
	Floating Interest \$	Fixed Interest \$	Non interest bearing \$	Total \$
2009 (consolidated)				
Financial asset				
Cash	–	270,660	40,631	311,291
Receivables	–	–	14,868	14,868
Total	–	270,660	55,499	326,159
Weighted average interest rate	–	2.90%	–	–
Financial liability				
Payables	–	–	76,209	76,209
Total	–	–	76,209	76,209
Weighted average interest rate	–	–	–	–
Net financial asset/(liability)	–	270,660	(20,710)	249,950

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Parent Entity 2010 \$	Consolidated Entity 2009 \$	Parent Entity 2009 \$
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11 COMMITMENTS

Commitments for the development, management and delivery of CPD Online contracted for but not recognised as liabilities:

Within one year	-	-	-
Later than one year but no later than 5 years	-	-	-
	-	-	-

12 REMUNERATION OF AUDITORS

Remuneration for audit of the financial report of the company	10,024	11,630	11,630
- Lawler Hacketts Audit	10,024	11,630	11,630

13 SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity holding
Institute of Claims Technicians Pty Ltd (Refer Note 20)	Australia	Ordinary	100%

14 KEY MANAGEMENT PERSONNEL DISCLOSURES

No executives are employed by the company.

15 RELATED PARTY TRANSACTIONS

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

16 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.

17 PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

The registered office and principal place of business is:

4th Floor, the Canegrowers' Building
190 Edward Street
Brisbane QLD 4000

18 LIMITED LIABILITY

The Institute is a company limited by guarantee. There is no unauthorised or issued share capital. If the Institute is wound up, the liability of the members is limited to \$50 each (2009 : \$50). As at 30 June 2010 the Institute had 850 financial members (2009 : 821).

19 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.

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

20 CONSOLIDATED ENTITY

Operations of the Institute of Claims Technicians were ceased during the previous financial year and the company deregistered on 6th of May 2009. Upon deregistration, a loss on deconsolidation of \$40 was incurred. Financial accounts for the Institute will be based on operations of the parent entity for 2009/10 going forward.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS
LIMITED**

We have audited the accompanying financial statements of Australasian Institute of Chartered Loss Adjusters Limited ('the company') and its controlled entities ('the consolidated entity'), which comprises the balance sheet as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

The Responsibility of the Directors for the Financial Statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS
LIMITED (continued)**

Independence

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

Auditor's Opinion

In our opinion the financial report of Australasian Institute of Chartered Loss Adjusters Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Lawler Hacketts

LAWLER HACKETTS AUDIT

Brisbane, 17 September 2010

Sg Lindemann

**Shaun Lindemann
Partner**



Australasian Institute of
Chartered Loss Adjusters

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