

Report by the Honorary Treasurer for the Financial Year 2016

Financial accounts 2016

The accounts of the Actuarial Association of Europe for the financial year 2016 are available and I am pleased to present those to the member associations.

The accounts have been reviewed by Grant Thornton as agreed during the General Assembly in 2013. The Independent Practitioner's Review Report is included as annex to this report and concludes that "nothing has come to our attention that causes to believe that these financial statements are not prepared, in all material respects, in accordance with BE GAAP and the accounting policies disclosed with the financial statements". Grant Thornton, represented by Dirk Van den Broeck and Nico De Clerck, registered auditors, has presented and explained the report during a meeting on 30 June 2017 and confirmed the fair presentation of the annual accounts.

Summary of the accounts

The net current assets of the AAE end 2016 equal EUR 605,888 a decrease with EUR 17,683 compared to 2015. All available assets are invested in a current account and a term deposit account corresponding with the investment principles of the association.

Income during 2016 was EUR 533,501 or EUR 109,201 more than in 2015. Expenditure for the year equals EUR 551,185.

Income from members

The number of qualified actuaries for whom the member associations pay the subscription to the AAE has increased in 2016 with 816 to 22,791 (the list with the number of qualified actuaries per member association is available at our website).

Based on the annual fees as agreed by the General Assembly at the meeting in Brussels on 1 October 2010, the income from members has increased to EUR 433,982.

European Congress of Actuaries

The ECA 2016 took place in April, one month after the terrorist attack in Brussels. The participation was less than planned on beforehand also because of this unexpected event, so that the expenditure exceeded the income with EUR 52,079.

AAE Meetings

The net costs for AAE meetings in 2016 are EUR 8,074, compared to EUR 2,368 in 2015. The 2016 amount includes the 2016 Presidents' Meeting, the Round Table on Risk Management, reimbursement of travel costs for speaker at the General Assembly and the (external) handling of the Barcelona meetings.

The European Actuary

The AAE has taken over the publication of The European Actuary, with positive reactions of members. The corresponding cost of EUR 12,557 is partly compensated by publicity income of EUR 3,500.

Salary/fee costs of Secretariat

The new Executive Assistant, Monique Schuilenburg, joined the AAE on 1 November 2016, while Michael Lucas retired on 31 December 2016. The VAT due on fees of the secretariat has now been included in the costs of the secretariat unlike the previous years.

Chairman's/Officer's expenses

The AAE is continuing to strengthen its presence at meetings with European institutions. The expense policy is strictly applied so that the costs are reflecting the increased activity.

Printing

Several position papers have been published in 2017 with high circulation figures. The decision has been made to avoid printing costs in the future and to circulate electronic documents only.

Actuarial House

The AAE office has moved in 2016, and agreed to keep the rent at the same level as before. Some costs linked to the move are reflected in the corresponding expenditure.

Miscellaneous

Other income and expenditures are in line with the normal daily management of the organisation.

Result and Reserve

The deficit of income over expenditure of EUR 17,683 is affecting the Reserves of the AAE resulting in an amount of EUR 605,888 at year end.

Following the AAE's finance policy it is the intention to hold a reserve allowing to continue the business for two years.

Budget 2018

The five-year forward budget for 2018-2022 will be presented at the General Meeting of 22 September 2017 in Copenhagen including a forecast for financial year 2017.

Approval of financial statements and budget

The General Assembly will be asked to approve the financial statements for the financial year 2016 and the budget 2018.

For additional information and questions please contact Ad Kok, Chief Executive at aamkok@actuary.eu

Karel Goossens
Honorary Treasurer
July 2017