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ACTUARIAL ASSOCIATION OF EUROPE
ASSOCIATION ACTUARIELLE EUROPÉENNE

1 PLACE DU SAMEDI
B-1000 BRUSSELS, BELGIUM
(+32) 2 201 60 21
INFO@ACTUARY.EU
WWW.ACTUARY.EU

REPORT BY THE HONORARY TREASURER FOR THE FINANCIAL YEAR 2021 TO THE MEMBER ASSOCIATIONS OF THE AAE

FINANCIAL ACCOUNTS 2021

The accounts of the Actuarial Association of Europe for the financial year 2021 are available and I am pleased to present these 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, registered auditor, approved the report prepared by Anne-France De Roeck on 9 May 2022 and confirmed the fair presentation of the annual accounts.

Summary of the accounts

The net current assets of the AAE end 2021 equal EUR 1,028,282 (2020: EUR 909,476) an increase of EUR 118,806 compared to 2020. All available assets are invested in two current accounts.

Income during 2021 was EUR 472,300 (2020: EUR 463,262). Expenditure for the year equals EUR 353,494 (2020: EUR 377,117).

Income and expenditures

General

Due to Covid-19 the year 2021 can be compared to the year 2020 but was still different from any other year in the AAE. The impact of the measures taken in Europe and globally, affected travel and the way meetings took place. In general, we can therefore report that the travel expenses by Board, Committee representatives and Secretariat have stayed at the level as reported in 2020. The costs for virtual meetings have decreased significantly compared to 2020 due to the switch to MS Teams.

INCOME FROM MEMBER ASSOCIATIONS

The number of qualified actuaries for whom the member associations pay the subscription to the AAE has increased in 2021 with 720 from 26,394 in 2020 to 27,114 in 2021 (the list with the number of qualified actuaries per member association is available on our website).

Based on the annual fees as agreed by the General Assembly at the meeting in Brussels on 1 October 2010, and also based on the agreement of the General Assembly held on 9 October 2020 to introduce a cap of 25% of the total of number of actuaries in the AAE's member associations, the income from member associations has increased to EUR 472,300.

AAE Meetings

The net costs for AAE meetings in 2021 are EUR 3,399 (2020: EUR 2,955). In 2021 the AAE Annual Meeting was organised as a hybrid format. The Swiss hosts covered the costs for the social event and dinner. Therefore, there was no income booked for AAE meetings and costs were limited to registration costs and badges for the on-site participants.

Secretariat salary/fees

The net effect comprises a decrease to EUR 115,244 (2020: EUR 142,453) due to the restructure of the AAE Secretariat. The Chief Executive left in 2020 and during the year 2021 the Secretariat was staffed with an Operations Manager and an Assistant.

Secretariat Travel and expenses

The increase to EUR 5,095 (2020: EUR 2,482) is due to slightly increased travel compared to 2020.

Chairman's / Officer's expenses

The travel expenses amounting to EUR 8,902 (2020: EUR 8,988) have remained at the same level as in 2020, due to the limited travel due to Covid-19 restrictions. The reimbursement policy has been strictly applied so that the costs are reflecting the activity.

Professional fees

The increase to EUR 25,853 (2020: EUR 20,090) includes the legal consultation related to the MRA. In all other areas less money was spent on professional assistance.

The European Actuary

The increase to EUR 13,858 (2020: EUR 10,997) follows the decision that from 2021 four issues of The European Actuary were issued instead of three.

Promotional seminar (incl. webinars)

The increase to EUR 15,821 (2020: EUR 8,103) directly relates to the two AAE Roundtables that were organised in 2021 in addition to four AAE webinars for which the registration costs increased due to the increase of the number of participants.

Conference calls/virtual meetings

The decrease to EUR 9,664 (2020: EUR 35,569) is a direct result of the change to MS Teams in March 2021. The amount spent in 2021 reflects the expenditure during the transition to MS Teams.

Solvency II Project

The expenditure of EUR 48,000 (2020: EUR 48,000) is at the same level as 2020. The contract with the Solvency II Project Manager was extended until the GA of 2022.

Actuview

The increase to EUR 60,000 (2020: EUR 50,000) reflects the decision to subscribe to Actuview.

Miscellaneous

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

Result and Reserve

The surplus of income over expenditure of EUR 118,806 has been added to the Reserves of the AAE resulting in an amount of EUR 1,028,282 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. At year-end 2021, the ratio of reserve and expenditure has been 291%. It must be noted that the 2021 expenditure has been extraordinarily low due to the Covid 19 effects.

BUDGET 2023

The proposed budget 2023 is based on the assumption that we will have an increase in activity in a post COVID world, with more in-person events/meeting and a relative conservative assessment of costs due to inflation risks. Besides, in order to face the coming challenges (Staffing, Communication, etc), we add a specific line for strategic initiatives (50,000 EUR).
Consequently, a negative result of 44,500 EUR is expected in 2023 considering prudent assumptions for membership developments and the contribution level decided in 2021.

5-YEAR PROJECTION

The 5-year projection is based on the budget 2023 and the assumption that no further structural changes in the organisation will be introduced .Besides, It is anticipated that AAE will continue project work related to Solvency II after the end of 2023 and continues its Actuview subscription. The projected reserve slightly decreases to 161% of the annual expenditure.

APPROVAL OF FINANCIAL STATEMENTS 2021 AND BUDGET 2023

In accordance with the Statutes, the General Assembly is invited to approve the audited financial statements for the year 2021 and the budget for 2023.

APPROVAL OF ANNUAL FEE 2024

In accordance with the Statutes, the General Assembly is invited to approve to maintain the annual fee for 2024 at EUR 20 per full member per Member Association. This proposal considers that the reserves are sufficient to absorb a possible negative result until a new strategic plan for the next years has been defined.

For additional information and questions please contact Monique Schuilenburg.

Matthias Pillaudin

Honorary Treasurer

September 2022

Actuarial Association of Europe

Zaterdagplein 1
1000 BRUSSELS

Independent Practitioner's Review Report

Grant Thornton Réviseurs d'Entreprises SCRL

Registered office
Uitbreidingstraat 72 box 7
2600 Antwerp
Belgium

www.grantthornton.be

INDEPENDENT PRACTITIONER'S REVIEW REPORT

We have reviewed the accompanying financial statements of Actuarial Association of Europe, which comprise a statement of income and expenditure for the year ended 31 December 2021, a balance sheet at that date and valuation rules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with BE GAAP and the significant accounting policies disclosed with the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements ISRE 2400 (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us 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.

Antwerp, 9 May 2022

Grant Thornton Réviseurs d'Entreprises SCRL
Represented by

Dirk Van den Broeck
Registered Auditor

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THE ACTUARIAL ASSOCIATION OF EUROPE (AAE)

Statement of Income and Expenditure
for the year ended 31 December 2021

	2021 EURO	2020 EURO
INCOME		
Annual contributions due from National Associations	472.300	463.262
ECA	-	-
AAE Meetings	-	-
	472.300	463.262
EXPENDITURE		
ECA	-	-
AAE Meetings	3.399	2.955
The European Actuary	13.858	10.997
Salary / fee costs of Secretariat	115.244	142.453
Secretariat travel & expenses	5.096	2.482
Brussels office - rent/utilities	16.329	16.395
Professional fees	25.853	20.090
Chairman's / Officers' expenses	8.902	8.988
IT Support	9.290	8.807
Conference calls	9.664	35.569
Website	3.363	5.489
Promotional Seminar	15.821	8.103
Publication	1.850	1.846
Taxes: Swiss/Belgian	-	-1.050
VAT	15.262	13.361
Solvency II Project	48.000	48.000
Actuview	60.000	50.000
Bank charges	233	194
Depreciations	1.332	2.439
	353.494	377.117
Total income	472.300	463.262
Total expenditure	353.494	377.117
Surplus of income over expenditure	118.806	86.145

THE ACTUARIAL ASSOCIATION OF EUROPE (AAE)

Balance Sheet at 31 December 2021

	2021 EURO	2020 EURO
NON CURRENT ASSETS	**210**	**1.542**
Tangible Fixed Assets	*210*	*1.542*
Acquisition value	13.286	13.286
Acumulated depreciations	-13.075	-11.744
CURRENT ASSETS	**1.068.930**	**941.813**
Trade Receivables	-	-
Cash at bank	*1.068.930*	*941.813*
Caisse d'Epargne current account	591.187	595.792
VISA Card	-394	-320
BNP Paribas Current Account	478.137	346.341
Cash		-
Accrual interest to receive	-	-
CURRENT LIABILITIES	**40.858**	**33.879**
Accruals Invoices to receive	*40.858*	*33.879*
NET CURRENT ASSETS	**1.028.282**	**909.476**

REPRESENTED BY:

Reserves at 31 December prior period	909.476	823.331
Surplus of income over expenditure	118.806	86.145
Reserves at Year end	**1.028.282**	**909.476**

THE ACTUARIAL ASSOCIATION OF EUROPE (AAE)

Valuation Rules at 31 December 2021

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Income

Income from members comprises amounts receivable for annual contributions invoiced, registration fees for colloquia and other services provided.

Other income includes income receivable from outside the membership such as bank interest and

Income and related accounts receivable are recognized based on the accrual principle.

Foreign Currencies

Assets and liabilities in FX currencies are translated into Euros at the FX rate ruling at the balance sheet date.

Tangible fixed assets

The cost of equipment acquired for use by the Secretary and other employees with
- an expected usefull life of more than 1 year; and
- an acquisition value of more than 200 EUR
is recognized as an asset and is written of on a linear basis over following period:
- Computer and IT equipment: 3 years
- Furnitures: 5 years.

Equipment with an acquisition value of less than 200 EUR is directly expensed.