AUDITORS REPORT TO THE
INTERNATIONAL ACTUARIAL ASSOCIATION
FOR THE YEAR
ENDED JUNE 30, 1998

Respective responsibilities of I.C.S.A. and auditors

I.C.S.A. is responsible for the preparation of the financial statements. It is our responsibility to consider whether the International Actuarial Association's balance sheet and income and expenditure account are in accordance with generally accepted accounting principles and with the detailed accounting records and to consider whether we have received all of the information and explanations which we consider necessary.

Opinion

We certify that we have obtained all the information and explanations required by us as auditors and that the attached income and expenditure account for the period from July 1, 1997 till June 30, 1998 and the balance sheet at that date are in agreement with the records maintained by International Actuarial Association.

It is our opinion that the financial statements with total assets of BF 12,916,257 and net worth of BF 5,450,938 give a true and fair view of the assets and liabilities and the financial situation of the association as at June 30, 1998.

Mechelen, October 27, 1998

DOMS WILLY

Reviseur d'Entreprise
Certified Public Accountant
# INTERNATIONAL ACTUARIAL ASSOCIATION

## INCOME AND EXPENDITURE ACCOUNT FOR

### THE YEAR ENDED JUNE 30, 1998

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Fees</td>
<td>4,155,894</td>
<td>2,628,935</td>
</tr>
<tr>
<td>Interest (net)</td>
<td>638,633</td>
<td>335,658</td>
</tr>
<tr>
<td>Revaluation of portfolio</td>
<td>767,974</td>
<td>327,220</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>5,562,501</td>
<td>3,291,813</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secretariat</td>
<td>362,611</td>
<td>380,523</td>
</tr>
<tr>
<td>Publications (bulletin-index)</td>
<td>4,072,947</td>
<td>1,398,250</td>
</tr>
<tr>
<td>Council meeting (September 28, 1996)</td>
<td>736,609</td>
<td>1,033,961</td>
</tr>
<tr>
<td>Reorganisation</td>
<td>241,696</td>
<td>1,617,292</td>
</tr>
<tr>
<td>IPEF prior year accounts</td>
<td>122,573</td>
<td>87,681</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>5,536,436</td>
<td>4,517,707</td>
</tr>
<tr>
<td><strong>REVENUES IN EXCESS OF EXPENDITURES</strong></td>
<td>26,065</td>
<td>&lt;1,225,894&gt;</td>
</tr>
</tbody>
</table>
## INTERNATIONAL ACTUARIAL ASSOCIATION
### BALANCE SHEET AS AT JUNE 30, 1998

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASTIN</td>
<td>400.299</td>
<td>264</td>
</tr>
<tr>
<td>Other receivables</td>
<td>376.365</td>
<td>170.541</td>
</tr>
<tr>
<td>Prepaids</td>
<td>96.036</td>
<td>0</td>
</tr>
<tr>
<td><strong>Deposits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saving account</td>
<td>74.549</td>
<td>0</td>
</tr>
<tr>
<td>US$ deposit</td>
<td>2.605.561</td>
<td>2.605.561</td>
</tr>
<tr>
<td>GB£</td>
<td>1.461.984</td>
<td>781.859</td>
</tr>
<tr>
<td>Portfolio investments</td>
<td>12.411.914</td>
<td>7.000.000</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>2.083.343</td>
<td>2.357.032</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>19.510.051</td>
<td>12.915.257</td>
</tr>
<tr>
<td><strong>Creditors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>4.123.313</td>
<td>97.890</td>
</tr>
<tr>
<td>Due to IPF</td>
<td>6.910.506</td>
<td>6.970.222</td>
</tr>
<tr>
<td>Due to AFIR</td>
<td>155.900</td>
<td>0</td>
</tr>
<tr>
<td>Expense receivable</td>
<td>143.500</td>
<td>396.207</td>
</tr>
<tr>
<td>Due to ASTIN</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total creditors</strong></td>
<td>11.333.219</td>
<td>7.464.319</td>
</tr>
<tr>
<td><strong>Net current assets &lt;liabilities&gt;</strong></td>
<td><strong>8.176.832</strong></td>
<td><strong>5.450.938</strong></td>
</tr>
</tbody>
</table>

Represented by:

| Own funds            |             |             |
| Balance July 1, 1997 | 5.634.614   | 5.027.366   |
| Reserve congress     | 3.149.466   | 1.649.466   |
| Prior year adjustment| <633.313>   | 0           |
| Current year         | 26.065      | <1.225.894> |
| **Total own funds**  | **8.176.832** | **5.450.938** |
1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the organisation’s accounts:

a. Accounting basis

The accounts have been prepared under the historical cost convention.

b. Conversion rate

Income and expenditure account transactions have been converted at the average rate for the year. Balance sheet assets and liabilities were converted at the closing rate.

c. Subscriptions

Where subscription income had not been received at the date of signing these accounts, it has not been accounted for.

d. Expenditure

Capital expenditure on office furniture and equipment has been written off in the year because it was not considered material.