

The Australian and New Zealand Institute of Insurance and Finance

ABN: 56 004 320 076

Financial Statements

For the Year Ended 31 December 2022

The Australian and New Zealand Institute of Insurance and Finance

ABN: 56 004 320 076

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Directors' Report

For the year ended 31 December 2022

Your directors present this report on the entity for the financial year ended 31 December 2022.

Directors

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

Tim Plant (Chair)
Diego Ascani
Hilary Bates (Appointed August 2022)
Ben Bessell (Deputy Chair)
Megan Beer (Retired November 2022)
Catherine Dixon
Simone Dossetor
Brendan Dunne (appointed January 2022)
Fiona Hays St. Clair
Kimberley Jonsson (Appointed January 2022)
Scott Leney
John Lyon
Damien Mu
Prue Willsford (CEO)

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 activities of ANZIF are the provision of education services to the insurance and financial services industries and providing relevant, high-quality content for the purpose of providing ongoing learning and development opportunities which support the ongoing professional development of industry participants for the betterment of the industry and the flow on public benefit.

Short-term and Long-term Objectives

The entity's short-term objectives are to partner with individuals, companies, government and non-profit organisations to provide a range of services that support professional excellence to enhance the standards, reputation and success of the industry and improve community understanding of insurance and finance.

The entity's long-term objective is to lead and engage the industry through education and the promotion of professional standards, which enables members to achieve their career and corporate aspirations.

Key Performance Measures

The entity measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the entity, the risk profile of the entity and whether the entity's short-term and long-term objectives are being achieved. These benchmarks include the number of members, number of students, number of courses provided, number of event attendees, and corporate supporter and sponsorship provided.

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Directors' Report

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Information on Directors

Tim Plant (Chair)

Chief Insurance and Strategy Officer

IAG

Tim Plant (Chair) Chief Insurance and Strategy Officer - IAG Tim is an experienced Director, CEO and Executive, with more than 25 years' experience in insurance, reinsurance and financial services. He has previously been a director of the Insurance Council of Australia in addition to being a director of APRA regulated entities in insurance, insurance underwriting agencies and other financial services.

He is currently the Chief Insurance and Strategy Officer at IAG. Previous roles have included CEO of General Insurance, Australia and New Zealand at Zurich Financial Services Australia, Group Executive, Insurance for NSW at icare, CEO of QBE Australia and New Zealand; Managing Director of Elders Financial Services Group and Managing Director of Elders Insurance.

His qualifications include Bachelor of Agricultural Science from LaTrobe University and Master of Business Administration from University of New England. He is also a Graduate Member of the Australian Institute of Company Directors and has completed the Advanced Management Program at Harvard Business School.

Diego Ascani

Chief Executive Officer

Sedgwick Australia

Diego Ascani is the Chief Executive Officer for Sedgwick, overseeing all insurance, loss adjusting, forensic accounting, TPA, corporate services and building consulting & restoration services across Australia.

Prior to joining Sedgwick in 2017, Diego was the Managing Director and Head of Insurance and Advisory Services in Australia for Xchanging. In this role, Diego oversaw all Business Processing activities for Xchanging in Australia, as well as overall management of the Victorian and NSW workers compensation business operations. Diego worked for Xchanging between 2009 to 2016 after his role as Director of the Insurance Advisory Services practice of PricewaterhouseCoopers where he consulted broadly to the insurance sector in Australia and Asia Pacific region.

Diego has over 30 years' experience in the insurance industry, including over 8 years in Workers Compensation/Personal Injury. He has extensive experience in the auditing and change management of claims practices for both government and general insurers and was seconded to the HIH Royal Commission between 2001 – 2002 to investigate the claims management practices of HIH and FAI. Diego has also been responsible for the significant ramp-up and upscaling of operations, most notably, the onboarding of additional claims volume (46% increase) on behalf of WorkSafe during the 2016 contract renewal.

Diego is a Director of the ANZIIIF Board and also recently held a role on the Board of the Personal Injury Education Foundation. Diego is a qualified solicitor and authorised to engage in legal practice as a solicitor in NSW. He has a Bachelor of Commerce, Bachelor of Law and an MBA. He is also an Associate of the Insurance Institute of SA and an affiliate of the Australasian Institute of Chartered Loss Adjusters. Diego is a graduate of Australian Institute of Company Directors and Insurance Business Hot 100 list for 2023 and 2019.

Hilary Bates (Aug 2022)

Chief Operating Officer, Life & Investments

Zurich

Hilary Bates was appointed Chief Operating Officer, Australia & New Zealand, in May 2022 including accountability for Zurich's Life & Investments business in Australia and Zurich's General Insurance business in Australia and New Zealand. In this role, Hilary leads a team of professionals that are dedicated to delivering operational excellence, outstanding customer service, technology solutions, operational governance and business resilience. Previously, Hilary was the Chief Operating Officer for Zurich's Life & Investments business from June 2021, and prior to this she was Chief Claims & Operations Officer for Zurich's General Insurance business across Australia and New Zealand. Hilary first joined Zurich in August 2016.

Throughout her career, Hilary has held senior management roles with a track record of delivering on customer, people, operational, financial and transformation objectives. Hilary started her career in private practice working within insurance, risk management and litigation practice groups, before moving to work directly in insurance in 2004. Hilary worked in the USA for seven years gaining valuable and varied experience across complex claims and senior claims management roles, before returning to Australia in 2013.

Hilary holds a Bachelor of Arts (Archaeology), Bachelor of Laws (Honours), and Master of Laws from the University of Sydney and is admitted to practice law in New South Wales. With 20-years working in the insurance industry, Hilary is passionate about business transformation and delivering on the promise to Zurich's customers.

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Directors' Report

For the year ended 31 December 2022

Ben Bessell (Deputy President)

Chief Broking Officer

Austbrokers (AUB)

Ben Bessell has been a Group Executive of IAG since 2015.

He was the EGM Business Distribution within IAG's Australia Division from July 2017 – January 2019.

Previously he was the Chief Executive Australian Business Division. Prior to that he was Chief Executive of Commercial Insurance, and the Chief Commercial Officer for Commercial Insurance.

Past roles at IAG included General Manager of Broker & Agency CGU, General Manager of Workers' Compensation and General Manager of CGU Claims.

He has more than 20 years' experience working in the insurance sector and has lived and worked across many locations. He joined IAG in Tasmania in 1993.

Ben is a Director of NTI Limited (National Transport Insurance), Senior Associate of ANZIIF and an alumnus of the London Business School.

Megan Beer (Immediate Past President)

Chief Executive Officer

Resolution Life Australasia, AMP Life

Megan is the CEO of Resolution Life Australasia and CEO of AMP Life, transferring from AMP to Resolution Life on 1 July 2020 after leading AMP Life through the sale from AMP to Resolution Life. Megan is also Managing Director of Resolution Life NOHC, AMP Life and the National Mutual Life Association of Australasia Limited.

Megan joined AMP in February 2014 as Director, Insurance and was appointed Group Executive, Insurance on 1 January 2017 and CEO of AMP Life on 1 January 2019.

Megan has more than 25 years' experience in the financial services industry in a range of executive, finance, actuarial and consulting roles. Prior to AMP, Megan led NAB's wealth management and insurance offer through the bank channel as General Manager, Bancassurance and Direct. Megan was also General Manager of Group Insurance and Head of Finance for Insurance, both at MLC. She worked for Tower (now TAL) for six years as Chief Actuary, Chief Risk Officer and Head of Claims, and has been a Director with Tillinghast (Consulting Actuaries).

Megan is a Fellow of the Institute of Actuaries of Australia, a Fellow of the Australian and New Zealand Institute of Insurance and Finance, holds a Master of Economics from Macquarie University, a Master of Business Administration (Executive) from the Australian Graduate School of Management at the University of New South Wales, and is a Graduate of the Australian Institute of Company Directors.

Catherine Dixon

EGM People & Culture

Suncorp New Zealand

Catherine is part of Suncorp Group's People, Culture & Advocacy leadership team and has been an ANZIIF board member since September 2018.

She is accountable for delivering and managing all aspects of the People and workspace strategy for the New Zealand business focused on identifying and fostering the capability, environment and leadership needed to deliver Suncorp's strategy.

Catherine has worked in the Suncorp Group since 1999 when she joined the life business of Royal & Sun Alliance. During her tenure, she has supported significant change including the acquisition and divestment of several businesses. Before joining the Group, she worked for IAG in both business and Human Resources roles for 13 years."

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For the year ended 31 December 2022

Simone Dossetor

*Chief Executive Officer
Insurtech Australia*

Simone is the Chief Executive Officer for Insurtech Australia a national not-for-profit organisation with a vision to create a world leading insurtech ecosystem which aims to foster a diverse community of insurance innovation and collaboration across the Australian insurance industry.

Simone has over twenty years' experience in financial services and the consulting industry. Her most recent role was the Chief Operating Officer for Munich Re in Australia where her focus was on delivering the operational platform and capabilities that supported Munich Re's Life and Non-life business units in delivering innovation opportunities and client solutions. Prior to that she had roles in the Calliden Group, Deloitte and Trowbridge Consulting, now part of Finity. Simone has experience across a broad range of roles including claims, information technology, acquisitions, people and culture, strategy and business transformation.

A Fellow at ANZIIF and a Graduate Member of the Australian Institute of Company Directors, Simone holds a Bachelor of Economics and a Bachelor of Law from University of Sydney and an MBA from AGSM (University of New South Wales). Simone was also the winner of the ANZIIF Peter Corrigan International Scholarship in 2012 and was a member of the ANZIIF Women's Council from 2013 to 2017.

Brendan Dunne

*Chief Customer and Operations Officer
Allianz Australia*

As Allianz Australia's Chief Customer and Operations Officer, Brendan leads a team of over 2,500 people across General Insurance, IT and IT Security, Business & Technology Transformation, Procurement, Property and Facilities.

Brendan has been with the Allianz Group for over 15 years, where he has held a number of senior roles across Finance, Risk, Strategy and Transformation, including Chief Customer Services Officer until his appointment as Chief Customer and Operations Officer on 31 April 2021. During his time at Allianz, Brendan spent two and a half years in Munich as part of Allianz SE's Global Risk function, where he worked with Allianz's major Operating Entities.

In 2017, Brendan was invited to join the Board of the B Miles Foundation, a charity which supports women living with a mental illness who are experiencing homelessness or are at risk of homelessness. He is also on the Steering Board for the Bachelor of Accounting program at the University of Technology Sydney.

Brendan has a Bachelor of Accounting from the University of Technology Sydney and is a member of the Institute of Chartered Accountants in Australia.

Fiona Hayes St. Clair

*Chief Strategy and Transformation Officer
QBE*

Fiona is a leader and strategist with over 20 years of experience and a passion for transforming organisations to deliver customer-centric strategies. Fiona is passionate about coaching and developing teams and leaders and enjoys spending time working through tricky problems with her team.

With industry experience across the globe, Fiona joined QBE in 2018 and has had a range of roles at QBE across strategy, operations and transformation functions. Currently Fiona is responsible for setting the strategy for the Auspac division, leading the functions that help design the future organisation (incl. business architecture, human-centred design), equip the business to transform (process optimisation and data & analytics) and enable strategic transformation (change delivery and portfolio governance).

Prior to QBE, Fiona was General Manager Consumer & Wealth Strategy at National Australia Bank where she helped develop strategies to innovate customer experience, distribution and growth strategies for consumer banking and wealth management products and services. Fiona began her career as a strategy consultant at Booz & Company (now Strategy&) whereas a Partner she led the Insurance practice in Australia and NZ.

Fiona has an acute interest in the revolution in customer experience and business models brought about by digitisation and has authored intellectual capital and a number of whitepapers on this topic.

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Kimberley Jonsson

CEO - CHU Underwriting Agencies

As one of Australia's leading strata insurance specialists, Kimberley Jonsson is CEO of CHU Underwriting Agencies.

Kimberley joined the insurance industry in South Australia in 2005. She has worked across multiple jurisdictions and held various underwriting sales and management roles. Kimberley has a wealth of experience and knowledge of the strata insurance industry and the strata community.

In 2017 Kimberley was named Young Insurance Professional of the Year at the Australian Insurance Industry Awards.

In addition to being a Fellow of ANZIIF, she is a member of the Australian Institute of Company Directors and holds an MBA from AIM Business School.

Kimberley is one of the youngest CEOs in the Australian Financial Services sector.

Scott Leney

Risk Management Leader, Asia & Pacific and Country Corporate Officer, Australia

Marsh & McLennan Companies

Scott Leney oversees Marsh's regional Risk Management teams in Asia and the Pacific to build on existing capabilities and develop strategic solutions that will enable Marsh's largest clients to navigate an increasingly complex global risk landscape. Scott also serves as Country Corporate Officer (CCO) for Marsh McLennan in Australia, working closely with executives across Marsh, Guy Carpenter, Mercer, and Oliver Wyman to profile Marsh McLennan's capabilities in the market, foster colleague collaboration and develop key client and corporate initiatives.

Between January 2015 and August 2020, Scott was the Marsh Pacific Region head and then Marsh Australia CEO leading the expanded Australian business during the integration of JLT.

Scott holds a Bachelor of Commerce, is a Qualified Practising Insurance Broker (NIBA) and is a Fellow of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF)

John Lyon

Chief Executive Officer

Ando Insurance

John has led Ando's growth from its start-up roots to now being a well-established presence in New Zealand's insurance market. As a highly respected leader in the industry, he has been pivotal in building the team of over 300 talented staff in just 7 years.

John is passionate about creating an inclusive, vibrant and forward-thinking workplace, which allows the Ando team to drive positive changes in the insurance industry. John is a highly active member in the insurance community, frequently sharing his experience at conferences, as well as exploring the future of insurance.

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Damien Mu

Chief Executive Officer
AIA Australia

Damien Mu is the CEO and Managing Director of AIA Australia and New Zealand. Damien's career at AIA Australia began in 2007, and he was appointed to the role of CEO in 2014. Damien has more than 20 years' experience in the Australian financial services industry, with management experience spanning life and health insurance, superannuation and investments.

AIA Australia is a founding member of the Shared Value Project. In 2019, AIA entered into a Joint Cooperation Agreement with CBA for the purchase of CommInsure Life.

In 2018, Damien was awarded the Shared Value Champion and the AB+F Australian Insurance Executive of the Year. He holds a number of directorships including the Financial Services Council (FSC), co-Chair of the FSC Life Board Committee and an Advisory Board member of the Shared Value Project.

Prue Willsford (CEO)

Chief Executive Officer
ANZIIF

Prue attended the Queensland University of Technology, graduating with a Bachelor of Laws. Prior to her appointment as ANZIIF CEO, she was the General Manager, Corporate Operations at State Trustees, a role which included the oversight of Finance, Technology, Legal, Compliance, and Investments in a highly complex, medium size financial services company.

She has over 20 years' experience in the financial services sector, including management accounting at Macquarie Bank and policy development at Investment Funds and Superannuation Association.

She has also held leadership roles in financial product development, marketing and operations at Colonial Mutual and National Australia Bank. Prue was the Deputy Chancellor of Victoria University and the Chairman of the Resources Committee and is a Board member at Citywide Service Solutions.

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Directors' Report

For the year ended 31 December 2022

Meetings of Directors

During the financial year, four meetings of directors were held. Attendances by each director were as follows:

	Board	Nom & Rem	Audit & Risk
Tim Plant (Chair)	4 of 4	2 of 2	
Diego Ascani	3 of 4		4 of 4
Hilary Bates (commenced August 2022)	2 of 2		
Ben Bessell (Deputy Chair)	4 of 4	2 of 2	
Megan Beer	4 of 4	2 of 2	
Catherine Dixon	4 of 4	2 of 2	
Simone Dossetor	4 of 4		4 of 4
Brendan Dunne	3 of 4		
Fiona Hayes St. Clair	3 of 4		4 of 4
Kimberley Jonsson	3 of 4		
Scott Leney	3 of 4		
John Lyon	3 of 4		
Damien Mu	2 of 4		
Prue Willsford (CEO)	4 of 4	2 of 2	4 of 4

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31st December 2022, the total number of members 11,616 (2021 – 11,736).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 8 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director:

Tim Plant

Dated this

27 March 2023

Prue Willsford

day of

27/3

2023

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of The Australian and New Zealand Institute of Insurance and Finance and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been:

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


Saward Dawson

Jeffrey Tulk
Partner
Blackburn VIC

Dated: 28 March 2023

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

		2022	2021
	Note	\$	\$
Revenue	4	10,373,990	9,562,658
Employee benefits expense		(5,872,176)	(5,894,167)
Depreciation and amortisation expense		(858,896)	(1,032,071)
Impairment of intangibles		-	(93,174)
Other operating and administration expenses		(1,819,556)	(1,578,666)
Advertising & commission		(113,995)	(92,485)
Education expenses		(339,088)	(184,160)
Event expenses		(851,616)	(278,102)
Exchange rate difference of translation		(48,073)	(28,645)
Occupancy expenses		(378,387)	(291,458)
Travel and accommodation		(157,429)	(26,831)
Surplus/(Deficit) before income tax		(65,226)	62,899
Income tax expense		-	-
Surplus/(Deficit) for the year		(65,226)	62,899
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(65,226)	62,899

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,970,950	8,533,570
Trade and other receivables	7	727,890	371,736
Other assets	8	510,823	285,809
TOTAL CURRENT ASSETS		5,209,663	9,191,115
NON-CURRENT ASSETS			
Other financial assets	9	4,681,207	-
Property, plant and equipment	10	80,428	123,312
Intangible assets	11	3,498,676	3,064,591
Right-of-use assets	12	-	84,664
TOTAL NON-CURRENT ASSETS		8,260,311	3,272,567
TOTAL ASSETS		13,469,974	12,463,682
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	994,907	752,128
Lease liabilities	12	-	96,334
Employee benefits	14	569,316	537,836
Contract liabilities	15	2,772,008	1,827,346
TOTAL CURRENT LIABILITIES		4,336,231	3,213,644
NON-CURRENT LIABILITIES			
Employee benefits	14	70,364	121,433
TOTAL NON-CURRENT LIABILITIES		70,364	121,433
TOTAL LIABILITIES		4,406,595	3,335,077
NET ASSETS		9,063,379	9,128,605
EQUITY			
Retained earnings		9,063,379	9,128,605
TOTAL EQUITY		9,063,379	9,128,605

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity For the Year Ended 31 December 2022

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2022	9,128,605	9,128,605
Deficit for the year	(65,226)	(65,226)
Balance at 31 December 2022	9,063,379	9,063,379

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2021	9,065,706	9,065,706
Surplus for the year	62,899	62,899
Balance at 31 December 2021	9,128,605	9,128,605

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers, donors and others		11,564,361	9,881,891
Payments to suppliers and employees		(9,965,299)	(8,551,373)
Dividends received		84,827	-
Interest received		59,198	14,001
Interest paid		(542)	(10,018)
Net cash provided by/(used in) operating activities		<u>1,742,545</u>	<u>1,334,501</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of investment		-	1,391,108
Payment for intangible asset		(1,125,473)	(1,799,977)
Purchase of property, plant and equipment		(39,961)	(64,657)
Payment for financial assets at fair value through profit and loss		(4,995,324)	-
Net cash provided by/(used in) investing activities		<u>(6,160,758)</u>	<u>(473,526)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		(96,334)	(272,227)
Net cash provided by/(used in) financing activities		<u>(96,334)</u>	<u>(272,227)</u>
Effects of exchange rate changes on cash and cash equivalents		(48,073)	(28,644)
Net increase/(decrease) in cash and cash equivalents held		(4,562,620)	560,104
Cash and cash equivalents at beginning of year		8,533,570	7,973,466
Cash and cash equivalents at end of financial year	6	<u><u>3,970,950</u></u>	<u><u>8,533,570</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2022

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

(b) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Group are:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(c) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted for any non-assessable or disallowed items, changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. The parent entity applies principle of mutuality in calculating taxable income.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(f) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(g) Property, plant and equipment

Each class of property, plant and equipment is stated at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Computer Equipment	33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Intangible assets

Computer Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between three and five years.

Course Development

Costs incurred in developing educational material that will contribute to future period financial benefits through revenue generation are capitalised. Cost capitalised include external direct costs through subject matter experts and direct payroll and payroll related costs of employees' time spent on the project.

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

Course Development

Amortisation is calculated on a straight-line basis over periods ranging from 3-8 years

Course development costs are costs relating to the development phase and are only recognised following completion of all phases of each module.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition

(j) Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods and services to the customer.

(k) Leases

At inception of a contract, the Group assesses whether a lease exists.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(l) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(m) Employee benefits

Provision is made for the Group's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

Impairment of property, plant and equipment

The group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Membership fees	2,898,652	3,107,596
- Enrolment fees	5,605,902	5,289,185
- Event income	1,522,618	594,227
	<u>10,027,172</u>	<u>8,991,008</u>
Other income		
- Corporate supporter	394,594	407,986
- Advertising revenue	116,135	111,518
- Interest received	59,198	12,684
- Dividends & distributions received	84,827	-
- Net movement in FVTPL financial assets	(314,117)	-
- Other revenue	6,181	39,462
	<u>346,818</u>	<u>571,650</u>
Total Revenue	<u>10,373,990</u>	<u>9,562,658</u>

5 Result for the Year

The result for the year includes the following specific expenses:

Defined contribution superannuation expense	513,299	478,290
Depreciation and amortisation expense		
Depreciation of plant and equipments	82,844	125,475
Amortisation of intangible assets	691,388	652,618
Amortisation of right-of-used assets	84,664	253,978
Total depreciation and amortisation expense	<u>858,896</u>	<u>1,032,071</u>

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Notes to the Financial Statements For the Year Ended 31 December 2022

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on hand	-	62
Bank balances	3,970,950	8,533,508
	<u>3,970,950</u>	<u>8,533,570</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	620,534	409,750
Provision for impairment	(30,000)	(57,466)
Net trade receivables	<u>590,534</u>	<u>352,284</u>
Other receivables	137,356	19,452
Total current trade and other receivables	<u>727,890</u>	<u>371,736</u>

8 Other assets

CURRENT		
Prepayments	510,823	285,809
	<u>510,823</u>	<u>285,809</u>

9 Other Financial Assets

(a) Financial assets at fair value through profit or loss

NON-CURRENT		
Managed funds	4,681,207	-
Total	<u>4,681,207</u>	<u>-</u>

The group's managed fund is invested through JB Were. The managed fund have been valued based on their quoted market prices in active markets.

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Notes to the Financial Statements For the Year Ended 31 December 2022

10 Property, plant and equipment

	2022	2021
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	187,180	891,876
Accumulated depreciation	(106,752)	(794,983)
Total plant and equipment	80,428	96,893
Leasehold Improvements		
At cost	-	521,834
Accumulated depreciation	-	(495,415)
Total leasehold improvements	-	26,419
Total property, plant and equipment	80,428	123,312

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$
Year ended 31 December 2022			
Balance at the beginning of the year	96,893	26,419	123,312
Additions	39,961	-	39,961
Depreciation	(56,426)	(26,419)	(82,845)
Balance at the end of the year	80,428	-	80,428

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements For the Year Ended 31 December 2022

11 Intangible Assets

	2022 \$	2021 \$
Development costs		
Cost	3,236,599	5,901,748
Accumulated amortisation and impairment	(1,862,189)	(5,050,653)
Net carrying value	1,374,410	851,095
Computer software		
Cost	1,447,623	4,622,835
Accumulated amortisation and impairment	(393,691)	(3,571,299)
Net carrying value	1,053,932	1,051,536
Work in progress	-	-
Cost	1,070,334	1,161,960
Total Intangible assets	3,498,676	3,064,591

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Development costs \$	Work in progress \$	Total \$
Year ended 31 December 2022				
Balance at the beginning of the year	1,051,536	851,095	1,161,960	3,064,591
Additions	-	-	1,125,473	1,125,473
Disposals				
Transfers	329,235	887,864	(1,217,099)	-
Amortisation	(326,839)	(364,549)	-	(691,388)
Closing value at 31 December 2022	1,053,932	1,374,410	1,070,334	3,498,676

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements

For the Year Ended 31 December 2022

12 Leases

Right-of-use assets

	Buildings \$	Total \$
Year ended 31 December 2022		
Balance at the beginning of the year	84,664	84,664
Amortisation charge	(84,664)	(84,664)
Balance at end of year	-	-

ANZIIF leases buildings for its offices at Level 7, 628 Bourke Street Melbourne under a lease agreement, which expired on 22 April 2022.

ANZIIF since has moved to a new shared office in Melbourne. ANZIIF also has leases for office premises in Sydney and Shanghai. These leases are short-term. Payment made to these leases have been expensed as incurred and not capitalised as right-of-use assets. Total short-term lease expenses for the year was \$135,035.

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Consolidated Statement Of Financial Position \$
2022					
Lease liabilities	-	-	-	-	-
2021					
Lease liabilities	44,030	-	-	44,030	96,334

13 Trade and Other Payables

	2022 \$	2021 \$
CURRENT		
Trade payables	370,512	-
Accrued expense	465,293	541,729
GST payable	78,244	50,745
Other payables	80,858	159,654
Total trade and other payables	994,907	752,128

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements For the Year Ended 31 December 2022

14 Employee Benefits

	2022 \$	2021 \$
Current liabilities		
Long service leave	274,735	217,424
Annual leave	294,581	320,412
	<u>569,316</u>	<u>537,836</u>
Non-current liabilities		
Long service leave	70,364	121,433

15 Contract Liabilities

CURRENT		
Income in advance	2,772,008	1,827,346
	<u>2,772,008</u>	<u>1,827,346</u>

16 Financial Risk Management

Financial assets

Held at amortised cost		
Cash and cash equivalents	3,970,950	8,533,570
Trade and other receivables	838,794	473,123
Fair value through profit or loss (FVTPL)		
Managed funds	4,681,207	-
	<u>9,490,951</u>	<u>9,006,693</u>

Total financial assets

Financial liabilities

Financial liabilities measured at amortised cost		
Trade and other payables	994,907	752,128
Lease liabilities	-	96,334
	<u>994,907</u>	<u>848,462</u>

Total financial liabilities

17 Auditors' Remuneration

Remuneration of the auditor for:		
- Audit of the financial statements	23,500	34,000
- Other services	1,250	3,500
	<u>24,750</u>	<u>37,500</u>

Saward Dawson were the auditors for the period ended 31 December 2022. BDO Audit Pty Ltd were the auditors for the period ended 31 December 2021.

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements

For the Year Ended 31 December 2022

18 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Group is \$ 1,242,109 (2021: \$ 1,445,799).

19 Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2022	Percentage Owned (%) [*] 2021
Subsidiaries:			
The Australian and New Zealand Institute of Insurance and Finance (China)	China	100	100

^{*}The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

20 Related Parties

The Australian and New Zealand Institute of Insurance and Finance is the parent entity.

Interests in subsidiaries are set out in note 19.

Key management personnel - refer to Note 18.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

The following transactions occurred with related parties

	2022 \$	2021 \$
Sale of goods and services:		
Sale of services to entities controlled by directors	5,037	25,050

Membership and other fees for entities controlled by directors are charged on the same basis as other members.

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

There were no loans to or from related parties at the current and previous reporting date.

21 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2022 (31 December 2021: None).

22 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

The Australian and New Zealand Institute of Insurance and Finance

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Notes to the Financial Statements

For the Year Ended 31 December 2022

23 Statutory Information

The registered office and principal place of business of the group is:

Level 18, 1 Nicholson Street
East Melbourne VIC 3002
Australia

24 Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstanding obligations of the entity. At 31 December 2022, the total number of members 11,616 (2021: 11,736).

The Australian and New Zealand Institute of Insurance and Finance

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Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 9 to 25, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 December 2022 and of the performance for the year ended on that date of the Group and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Group 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 Board of Directors.

Director

Dated

27.3.2023

Director

27 March 2023

The Australian and New Zealand Institute of Insurance and Finance

Independent Audit Report to the members of The Australian and New Zealand Institute of Insurance and Finance

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Australian and New Zealand Institute of Insurance and Finance (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other matter

The financial report of The Australian and New Zealand Institute of Insurance and Finance for the year ended 31 December 2021, was audited by another auditor, BDO Audit Pty Ltd who expressed an unmodified opinion on that report on 24 March 2022.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Australian and New Zealand Institute of Insurance and Finance

Independent Audit Report to the members of The Australian and New Zealand Institute of Insurance and Finance

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The Australian and New Zealand Institute of Insurance and Finance

Independent Audit Report to the members of The Australian and New Zealand Institute of Insurance and Finance

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Saward Dawson

Jeffrey Tulk
Partner

Blackburn, Victoria
Dated: 28 March 2023