

# Institute of Chartered Accountants of the Caribbean

**Annual Report 2008**



*Reflection For  
the Future*



# Institute of Chartered Accountants of the Caribbean

The Institute of Chartered Accountants of the Caribbean (ICAC) was established and incorporated on October 28, 1988. It brought together accountants of the English-speaking Caribbean.



Today, with seven member Institutes and a network of approximately 3,000 accountancy professionals, the ICAC is the leading regional organization dedicated to advancing the interest of accountants and professionals in the finance industry within the Caribbean through the promotion of internationally acceptable standards and best practices, thought leadership, research and continuing professional development.

Through its flagship event, the Annual Caribbean Conference of Accountants, the ICAC also provides a forum for accountants in the region to participate for mutual and fraternal benefits and to examine regulatory issues and other matters impacting the profession globally.

In 2006, the ICAC was recognised by the International Federation of Accountants (IFAC) as an “Acknowledged Regional Grouping” of accountancy bodies, a designation held by only three other regional groupings in the world.

The ICAC remains committed to upholding and promoting the fundamental values of the accountancy profession - Truth and Fairness, Integrity, Justice and Prosperity - which is embodied in its motto, Veritas et Virtus (Truth and Virtue)

#### Mission Statement:

“ICAC is the internationally recognized body for the accountancy profession in the Caribbean, with an expanding influence in the region. It regulates the profession and promotes the highest standards of professional and ethical conduct. Through thought leadership and the provision of research, CPD and other services, it adds value to its members and the wider community.”

#### Objectives:

The objectives of the ICAC are to:

- Promote internationally acceptable standards of best practice for the accountancy profession in the Caribbean region.
- Foster a strong, cohesive and self regulated regional accountancy profession.
- Implement and coordinate an effective regional monitoring programme for practicing accountants in the region.
- Promote an institutional framework under the umbrella of territorial Institutes within which individual accountants may associate and participate for mutual professional and fraternal benefit.
- Standardize the qualification entry requirement and rules of professional conduct among member Institutes and
- Provide leadership on emerging issues as they affect the accounting profession in the region.

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# Notice of the Annual General Meeting

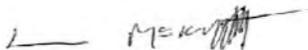
NOTICE IS HEREBY GIVEN that the Twenty-first Annual General Meeting of the Institute of Chartered Accountants of the Caribbean will be held at the Pegasus Guyana Hotel, Georgetown, Guyana, on June 25, 2009, commencing at 12.00 noon for the following purposes:

- To confirm minutes of the Twentieth Annual General Meeting held at the Hyatt Regency Hotel, Trinidad, on Thursday, June 26, 2008
- To receive the report of Directors
- To adopt audited Financial Statements for the year ended December 31, 2008
- To appoint Directors
- To elect officers for the period June 2009 to June 2010
- To appoint auditors for the year ending December 31, 2009
- To consider any other business that may be brought before the Annual General Meeting

## Special Business

- Special Resolution - To consider amendments to the Articles of Association as outlined in Appendix A to this Notice

BY ORDER OF THE BOARD



Leighton McKnight  
Secretary  
June 01, 2009



# President's Report



## Reflections for the Future

The year 2008 was marked by unprecedented regional and global events that have significantly impacted the economies of the Caribbean, in particular, the region's financial sectors. The need to critically reflect on the challenges posed by these developments and to formulate strategies to rebuild the economies of the region has become imperative for Caribbean leaders, the business sector and other key stakeholders in the region.

There is also an increasing demand for members of the accountancy profession regionally and globally to demonstrate good corporate governance, accountability, transparency and the highest standards of professionalism in the performance of our daily responsibilities. There is also a growing need for the profession to play a more active role in influencing economic policies and decision-making processes at the local, regional and international levels.

The ICAC, as the leading regional umbrella organisation dedicated to advancing the interest of the accountancy profession in the Caribbean, is cognisant of the need to provide leadership and to assist in formulating strategies to effectively deal with the existing challenges as well as those in the future. The ICAC will, therefore, continue to advance initiatives aimed at improving standards within the regional accountancy profession that were undertaken during 2008. This includes the implementation of the regional practice monitoring programme, the ongoing institutional strengthening of the ICAC, increasing the role and contribution of the ICAC regionally and internationally and promoting global professional standards and best practices within the region.

## Regional Practice Monitoring Programme

On Friday, June 27, 2008, the ICAC's initiative for the implementation of a regional practice monitoring programme became a reality with the formal signing of Memoranda of Understanding for the commencement of the programme in Barbados, Guyana and Trinidad and Tobago. This historic signing by the Presidents of the Institutes of Chartered Accountants of Barbados, Guyana, and Trinidad and Tobago took place during the opening ceremony of the ICAC's Annual Conference of Accountants held in Trinidad and Tobago.

The participating institutes have since hosted a number of training activities for practitioners in their respective territories in preparation for monitoring visits to be done by ACCA commencing in 2009. Under the agreement for the regional practice monitoring programme, ACCA has been contracted to carry out monitoring visits of practitioners and audit firms and will report its findings to the respective institutes who will undertake follow-up to ensure that the necessary corrective action is taken by practitioners/firms.

The implementation of the regional practice monitoring programme is a significant achievement as it places the Caribbean on par with the United Kingdom, the United States, Canada and many other countries that have already implemented similar monitoring programmes. It also represents ICAC's commitment to fulfil IFAC's requirements for members worldwide to maintain an efficient quality assurance review system and will greatly assist in improving standards within the regional accountancy profession.

We look forward to the commencement of the programme in other ICAC member territories and are encouraged by indications from the Institutes of Chartered Accountants of the Bahamas, the Eastern Caribbean and Jamaica that they will be signing the practice monitoring contract in 2009.

## President's Report

### Institutional Development and Services

During the year, the ICAC took steps to strengthen the institution's capacity and effectiveness with the ongoing review of our Articles of Association and the formalisation of a draft Affiliation Agreement which seeks the consensus of member institutes on specific areas of responsibility to be harmonised at the regional level.

At the 52<sup>nd</sup> Board of Directors Meeting in October 2008, a Task Force was appointed to oversee the specific amendments and the general modernisation of the Articles of Association as well as discussions on the Affiliation Agreement with regional institutes. It is anticipated that these two major initiatives will be finalised in 2009.



Sean Ramirez, President, Institute of Chartered Accountants of Trinidad and Tobago (5th from left), receives a copy of the MOU for the regional practice monitoring programme from ICAC President, Angela Lee Loy (4th from left) following the historic signing at the ICAC's 26th Annual Conference of Accountants. Also participating in the event are (left to right) Peter Large, Executive Director - Professional Standards, ACCA; Richard Aitken-Davies, President, ACCA; Rueben Blenman, President, Institute of Chartered Accountants of Barbados; Khalil Alli, President, Insititute of Chartered Accountants of Guyana; Fernin del Valle, President, International Federation of Accountants and Ron Colucci, Chairman, Certified General Accountants - Canada.

We achieved our goal of developing a state-of-the-art website during the year. ACCA's website team assisted with the initial redesign of the ICAC's website which was completed in June 2008 and a website developer was subsequently contracted to do further enhancements to the design of the website. The fully upgraded ICAC website was completed and officially launched in September 2008.

We continue to utilise conference call services to facilitate discussions between the ICAC Executive and the Secretariat on matters of relevance and to ensure the efficient operation of the Institute.

### International Contribution

During the year, we also continued to focus on initiatives to enhance the role and contribution of the ICAC within the international arena.

The ICAC participated in the 5<sup>th</sup> Workshop of the Cluster, 'Supporting Competitiveness through International Accounting and Auditing Standards,' hosted by the Multilateral Investment Fund on June 9, 2008 in El Salvador. The meeting sought to reflect on the work of the cluster over the period 2002 to 2008 and to consider future action towards a potential regional project in light of a decision to end the Accounting and Auditing Cluster programme in December 2008.

In addition, the ICAC was represented by Vice-President, Harryram Parmesar, at the CReCER conference on financial reporting, auditing, governance and other issues of relevance to Latin America and the Caribbean which was hosted by the World Bank, the Inter-American Development Bank (IDB) and the International Federation of Accountants (IFAC) in El Salvador from June 11-13, 2008.

I also had the privilege of representing the ICAC at IFAC's Meeting with Regional Organisations (ROs) and Accountancy Groupings (AGs) on November 10, 2008, in Rome, Italy. The meeting was followed by IFAC's Board/Council Meeting which was held over the period November 11-13. The ICAC's participation at the meetings was very beneficial and I am pleased to report that the ICAC received special mention from IFAC for its role in promoting e-learning and practice monitoring among its members at the meeting with regional organisations.



A roundtable meeting with Presidents and CEOs from the region was hosted by IFAC in conjunction with the ICAC's Board of Directors Meeting on June 26 in Trinidad and Tobago. The meeting, which was led by IFAC President, Fermin del Valle, provided a forum to discuss key issues and challenges facing the accountancy profession in the region and participants were invited to share their views and experiences within their respective territories.

During the year, IFAC issued its new accountability framework for ROs and AGs along with new reporting timelines. Under the new framework, the ICAC as an Acknowledged Grouping is required to submit annual reports with an assessment of activities in fulfillment of its obligations to IFAC. The reporting deadline is August 2009 and reports will be submitted to the IFAC Board for its meeting in November 2009.

The Policy Statement for Acknowledged Accountancy Grouping was also approved by the IFAC Board in February 2008. As an Acknowledged Accountancy Grouping of IFAC, the ICAC is committed to fulfilling its obligations to IFAC and continues to promote and support the activities of the international accountancy body.

The Policy Statement for Acknowledged Accountancy Grouping was also approved by the IFAC Board in February 2008. As an Acknowledged Accountancy Grouping of IFAC, the ICAC is committed to fulfilling its obligations to IFAC and continues to promote and support the activities of the international accountancy body.

## Regional Focus

During the year, priority was also given to broadening ICAC's regional presence and to strengthen our linkages with member institutes and affiliates as well as other key stakeholders in the region. In this regard, the ICAC held meetings with the Councils of the Institutes of Chartered Accountants of Jamaica, Barbados, Guyana and The Bahamas to discuss various initiatives of the ICAC and how ICAC can better serve the needs of member Institutes.

In keeping with our goal to broaden the ICAC's regional involvement, the Board of Directors at its meeting on October 11, 2008, in Barbados approved a recommendation for the ICAC to join the membership of the Caribbean Association of Industry and Commerce (CAIC). The CAIC represents the interest of Caribbean private sector organisations at various regional and international meetings and we believe that the ICAC's affiliation with this regional body will be beneficial as it will help to ensure that the views and interests of the accountancy profession are represented at the broader regional and international level.

During the year, CAIC hosted a CARICOM-Dominican Republic Forum comprising representatives of the business communities of CARICOM and the Dominican Republic which was aimed at addressing the CARIFORUM European Community Economic Partnership Agreement (EPA) and the implications of that Agreement on trade relations between CARICOM and the Dominican Republic. The ICAC was represented at the Forum by ICAC Director, Frank Myers.

The ICAC was also represented by CEO, Misha Lobban, at the CARICOM-Canada Business Forum hosted by CAIC from November 17-18, 2008 in Trinidad and Tobago. The forum focused on the CARICOM-Canada bilateral trade agreement and opportunities for fostering and promoting trade and investment in various sectors within the Caribbean region with Canada, including accounting and financial services.



IFAC President, Fermin del Valle (centre) and IFAC Deputy Director, Member Body Development, Sylvia Barrett (third from left), discuss key issues and challenges facing the accountancy profession in the region with ICAC Board Members and Regional Executives. At left is Angela Lee Loy, ICAC President.

## President's Report

In light of developments within the international arena as it relates to IFRS and ISA, in particular, the release of a draft IFRS for Small and Medium-sized Entities (SMEs) by the International Accounting Standards Board (IASB) during the year, the Multilateral Investment Fund (MIF) is in process of formulating a regional project to assist with the implementation of the new standards for SMEs scheduled to be released in 2009. MIF has invited the ICAC to participate in this proposed regional project which will benefit member institutes in their efforts to effectively implement the new standards within their respective territories. We welcome this initiative and have advised MIF of our willingness to participate in this project.

### Annual Caribbean Conference of Accountants

The ICAC's 26<sup>th</sup> Annual Conference of Accountants hosted by the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) from June 26-28, 2008 was an overwhelming success, attracting a record number of 600 delegates including accounting and finance professionals, business leaders and other participants from the region. The conference which was held at the Hyatt Regency Hotel, Trinidad under the theme, "Beyond the Wall," drew attention to the many critical issues that face accounting professionals in today's business environment. The slate of speakers included experts from the region and internationally, who examined a wide range of issues relevant to the accountancy profession.

We commend ICATT and the conference planning team for organising a truly world-class event and for ensuring that the usual high standard of the ICAC annual conference was maintained.

We look forward to another successful conference in 2009 when the Institute of Chartered Accountants of Guyana will host the 27<sup>th</sup> Annual Caribbean Conference of Accountants over the period June 25-27.

### Conclusion

In closing, I wish to thank the members of the Board of Directors and our Affiliates for their invaluable support and their contribution towards advancing the goals and activities of the ICAC. I also wish to thank the staff of the ICAC Secretariat for their hard work and their support during the year.



Aerial view of the official opening ceremony of the 26th Annual Conference of Accountants at the Hyatt Regency Hotel, Trinidad.



Honorable Patrick Manning, Prime Minister of the Republic of Trinidad & Tobago listens attentively to Ms. Angela Lee Loy, ICAC President, during the opening ceremony of the 26th ICAC Conference. At left is Mr. Richard Aitken-Davies, ACCA President.

  
**Angela Lee Loy**  
 President, ICAC

# Directors' Report

The Directors hereby submit their report for the year ended December 31, 2008.

## Members and Affiliate Members

### Members

### Membership as at December 31, 2007\*

The Bahamas Institute of Chartered Accountants	317
The Institute of Chartered Accountants of Barbados	626
The Institute of Chartered Accountants of Belize	52
The Institute of Chartered Accountants of Guyana	58
The Institute of Chartered Accountants of Jamaica	921
The Institute of Chartered Accountants of the Eastern Caribbean	133
The Institute of Chartered Accountants of Trinidad and Tobago	617

\* Membership subscription for 2008 is based on the membership of each member institute as at December 31, 2007.

### Affiliate Members

### Representative

The Association of Chartered Certified Accountants	Muir Brown
The Certified General Accountants Association of Canada	Lyle Handfield
The Institute of Chartered Certified Accountants in England and Wales	Khalil Alli
The American Institute of Certified Public Accountants	Gary Scopes

### The Executive

The Executive re-elected at the 20<sup>th</sup> Annual General Meeting held in Trinidad in June 2008 was:

Angela Lee Loy	President
Harryram Parmesar	Vice-President
Leighton McKnight	Secretary
Brian Robinson	Treasurer

The Institute held its Fiftieth, Fifty-first and Fifty-Second Board of Directors' meetings on February 9, June 26 and October 11, 2008, respectively. The 20<sup>th</sup> Annual General Meeting was held on June 26, 2008 at the Hyatt Regency Hotel, Trinidad.

### Board of Directors

The Members of the Board of Directors are:

Angela Lee Loy	President/Director	Trinidad & Tobago
Harryram Parmesar	Vice- President/Director	Guyana
Brian Robinson	Treasurer	Barbados
Leighton McKnight	Secretary/Director	Jamaica
Daniel Ferguson	Director	Bahamas
Joan E. Brathwaite	Director	Barbados
Brett Feinstein	Director	Belize
Frank Myers	Director	Eastern Caribbean
Philip Galanis	Alternate Director	Bahamas
Rueben Blenman	Alternate Director	Barbados



## Directors' Report

Claude Burrell	Alternate Director	Belize
Erwin Southwell	Alternate Director	Eastern Caribbean
Khalil Alli	Alternate Director	Guyana
Prunella Vassell	Alternate Director	Jamaica
Sean Ramirez	Alternate Director	Trinidad & Tobago

Mr. Philip Galanis replaced Mr. Kendrick Christie as Alternate Director for The Bahamas in February 2008 and was appointed to the ICAC Board of Directors effective June 2008.

Mr. Rueben Blenman replaced Mr. Patrick Hinkson as Alternate Director for Barbados, effective June 2008.

Mr. Brett Feinstein replaced Mr. Roy Pandy as Director for Belize and was appointed to the ICAC Board of Directors effective June 2008. Mr. Claude Burrell was appointed as Alternate Director for Belize, effective June 2008.

Mr. Khalil Alli replaced Mr. Rameshwar Lal as Alternate Director to the ICAC Board of Directors, effective June 2008. Mr. Alli was also appointed to serve as the Institute of Chartered Certified Accountants in England and Wales' affiliate representative on the ICAC Board, effective September 2008.

## Directors' Attendance – Board Meetings

Meetings attended by Directors (and/or their Alternates) during 2008 were:

Name	Position	Inst./Org.	Number
Angela Lee Loy	President/ Director	Trinidad & Tobago	3
Harryram Parmesar	Vice- President/ Director	Guyana	3
Brian Robinson	Treasurer	Barbados	3
Leighton McKnight	Secretary/ Director	Jamaica	2
Daniel Ferguson	Director	Bahamas	2
Joan E. Brathwaite	Director	Barbados	3
Roy Pandy	Director	Belize	0
Brett Feinstein	Director	Belize	0
Frank Myers	Director	Eastern Caribbean	2
Philip Galanis	Alternate Director	Bahamas	3
Rueben Blenman	Alternate Director	Barbados	1
Claude Burrell	Alternate Director	Belize	1
Erwin Southwell	Alternate Director	Eastern Caribbean	3
Khalil Alli	Alternate Director & Affiliate Director	Guyana ICAEW	2
Prunella Vassell	Alternate Director	Jamaica	2
Sean Ramirez	Alternate Director	Trinidad & Tobago	2
Patrick Hinkson	Alternate Director	Barbados	0
Kendrick Christie	Alternate Director	Bahamas	0
Muir Brown	Affiliate Director	ACCA	3
Lyle Handfield	Affiliate Director	CGA Canada	3
Ashley Clarke	Affiliate Director	ICAEW	1
Gary Scopes	Affiliate Director	AICPA	1

*Note: All Directors mentioned above were on the ICAC Board for part of or all of the year.*



## Auditors

The Auditors of the Institute, Mair Russell Grant Thornton, Chartered Accountants of 3 Haughton Ave, Kingston 10, Jamaica W.I., were re-appointed for year 2008 at the Annual General Meeting held on June 26, 2008.

The Directors wish to thank the Secretariat for their continued dedication and hard work during the year 2008.

On behalf of the Board of Directors



*Angela Lee Loy*  
**President**

# Chief Executive Officer's Report



*Misha Lobban*  
Chief Executive Officer

## Strategic Goals and Achievements

A strategic plan for the ICAC for the next three years was formulated and presented for approval at the 52nd Board of Directors meeting held on October 11, 2008, in Barbados.

The 2008-2011 strategic plan is aimed at advancing the ICAC's goals formulated at the strategic planning retreat in October 2005 and will focus primarily on:

- Broadening ICAC's membership base in the region
- Strengthening relationships/partnerships with our regional institutes, affiliates and other key stakeholders in the region and internationally
- Enhancing the role and presence of ICAC within the region
- Increasing the international profile of the ICAC
- Boosting the efficiency of the operations of the ICAC Secretariat
- Enhancing the ICAC Annual Conference as a profitable flagship event

In keeping with these goals, the Secretariat organised one-on-one meetings between the ICAC President and the Councils of the Institutes of Chartered Accountants of Jamaica, Barbados, Guyana and The Bahamas during the year. The meetings were successful in facilitating discussions on various ICAC initiatives. Additional meetings will be organised in 2009 with other member institutes.

During the year, the Secretariat assisted the Membership Committee in actively pursuing discussions with the British Virgin Island Association of Professional Accountants (BVIAPA) and the Suriname Association of Accountants following a request from both associations to join the membership of the ICAC. Discussions with both associations are ongoing.

In seeking to broaden the role and presence of the ICAC within the region, a meeting was held with the CEO of the Caribbean Association of Industry and Commerce (CAIC) on June 25, 2008, to discuss opportunities for collaboration between both organizations. Discussions were subsequently initiated with regard to a joint ICAC/CAIC forum on SMEs. The forum which is scheduled to be held in 2009 will focus on the financial reporting requirements of SMEs and the new IFRS for SMEs to be issued by the IASB.

The ICAC Board at its 52nd meeting in October 2008 also approved a proposal for the ICAC to join the membership of CAIC in keeping with its goal to ensure that the views and interests of the accountancy profession are represented at this broader regional level.

On the invitation of the Inter-American Association of Accountants (IAA), a power point presentation on the ICAC's goals and activities was delivered at IAA's Member Bodies Meeting and AUDITEC Conference held in March 2008, in Orlando, Florida. The meeting facilitated the exchange of information between both bodies and assisted the ICAC in its efforts to build linkages with the IAA. The ICAC's 26th Annual Conference of Accountants was also promoted at the IAA meeting and conference.

## Operational Focus

In keeping with the ICAC's strategic plan, the focus of the ICAC Secretariat over the next three years will include strengthening the profile and presence of the ICAC in the region and internationally, collaborating with regional institutes on various initiatives such as joint CPD seminars and increasing linkages between the ICAC, its member institutes and other key stakeholders. In addition, the Secretariat will continue to provide the necessary support to ensure the implementation of the various programmes and initiatives of the ICAC.



## Administrative Matters

The Secretariat assisted the International Federation of Accountants (IFAC) in organising a regional meeting with Presidents and Chief Executives of member bodies and other key organisations in the region. The meeting was held on June 26 at the Hyatt Regency Hotel, Trinidad in conjunction with the ICAC Board of Directors Meeting and the 26th Annual Caribbean Conference of Accountants.

The Secretariat also assisted in promoting the 2010 World Congress of Accountants via the ICAC's website and Newsletter issues during the year. The Congress, which is being hosted by the Malaysia Institute of Accountants and is jointly organised by IFAC, will be held from November 8-11, 2010 in Kuala Lumpur, Malaysia.

Following the signing of contracts for the implementation of the regional practice monitoring programme in Barbados, Trinidad and Guyana, the Secretariat initiated follow-up with the Institutes of Bahamas, Belize and the Eastern Caribbean regarding their participation in the programme. A summary document on the regional practice monitoring programme was also prepared and circulated to regional institutes for dissemination to practitioners within their respective territories. The document provided a detailed overview on programme and how the monitoring process will work.

During the year, a review of the Secretariat's internal systems and controls was done in an effort to streamline the operations and procedures within the Secretariat. Procedures for the accounting systems and internal controls have been formally documented and efforts were made to improve the security of the electronic database/system.

The ICAC extends its appreciation to Stacy-Ann Dawkins who served as Administrative Assistant up until November 2008. We welcomed on board Lomeah Reid-Lyn, who took up the position on November 12, 2008.

The ICAC also recorded its appreciation to Affiliate Director for the ICAEW, Ashley Clarke, who served on the ICAC Board from 2006 until February 2008. Khalil Alli, President of ICA-Guyana and Alternate Director for Guyana, was appointed to serve as Affiliate Director for ICAEW effective September 2008.

Thank-you letters were also sent to Directors and Alternates Directors who retired from the ICAC Board in June 2008, namely, Roy Panday, Director - Institute of Chartered Accountants of Belize; Patrick Hinkson, Alternate Director - Institute of Chartered Accountants of Barbados; Kendrick Christie, Alternate Director - Bahamas Institute of Chartered Accountants and Rameshwar Lal, Alternate Director - Institute of Chartered Accountants of Guyana.

## Communication

During the year, there was increased communication with regional institutes by way of electronic mail, direct telephone contact and conference calls in an effort to ensure that they were kept informed of matters arising from ICAC Board meetings as well as other ICAC activities.

Conference call services were also utilised to facilitate discussions with the ICAC Executive on issues relating to the operations of the Secretariat and to facilitate meetings of various ICAC Committees during the year.

The Secretariat also ensured that the redevelopment of the ICAC's website was finalised during the year. The redesign of the website was done with the assistance of ACCA's website team and additional enhancements and upgrading work were carried out by a local website developer. The fully upgraded website was completed in September 2008 and serves as an effective vehicle for enhancing the visibility of the ICAC and for promoting the initiatives of the ICAC. The website features the programmes and activities of the ICAC, technical updates, online access to the ICAC's annual reports and newsletters, access to the ICAC/KESDEE e-learning programme and linkages to the website of member institutes and affiliates.

## Chief Executive Officer's Report

The ICAC Newsletter continues to ably disseminate information on the programmes and activities of the ICAC as well as features and technical articles of relevance to the accountancy profession. During the year, three newsletter issues were published in February, July, and November and circulated electronically to ICAC member institutes, affiliates and other key stakeholders in the region and internationally. We thank our affiliates and associate organisations for their invaluable contribution by way of advertisements in the 2008 newsletter issues.

During the year, the Secretariat prepared several press releases aimed at promoting the initiatives of the ICAC which were published in the regional and international media.

### Annual Conference

The Secretariat assisted in the extensive marketing and promotion of the 26th Annual Caribbean Conference of Accountants among member institutes, affiliates and other stakeholders in the region.

The conference was hosted by the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) from June 26 to June 28, 2008, at the Hyatt Regency Hotel. The conference was exceptional in terms of its high level of organisation, the high calibre of speakers and the impressive entertainment package provided for the social events. The ICAC commends ICATT and the Conference 2008 Planning Committee for organising a very successful conference.

The 27th Annual Caribbean Conference of Accountants will be hosted by the Institute of Chartered Accountants of Guyana over the period June 25-27, 2009.

### Acknowledgements

This marks the completion of my first year as CEO and I wish to acknowledge the invaluable support of the ICAC Executive and other members of the ICAC Board in enabling me to accomplish my mandate during 2008.



# Regional Committees & their Coordinating Institutes

There are five regional committees and their co-ordinating Institutes/Chairpersons are as follows:

Regional Committee	Member Institute	Chair
Education	Trinidad	Angela Lee Loy
Joint Seminar	Eastern Caribbean	Frank Myers
Membership	Barbados	Joan Brathwaite
Publicity	Jamaica	Leighton McKnight
Technical	Guyana	Harryram Parmesar

The **Education Committee's** mandate is to facilitate and encourage the provision of training and development opportunities in the region in collaboration with accredited regional and international bodies and to foster linkages with accredited institutions such as the Association of Chartered Certified Accountants, the Certified General Accountants of Canada and other accountancy examining bodies.

The main objective of the **Joint Seminar Committee** is to organise, in collaboration with territorial institutes, seminars aimed at broadening the continuing professional development of members within the region.

The **Membership Committee** is responsible for promoting an institutional framework for the participation of individual accountants under the umbrella of territorial institutes; ensuring the harmonisation of entry requirements as well as rules of professional conduct among member institutes and to assist in broadening the membership base of the ICAC.

The objectives of the **Publicity Committee** include initiating activities aimed at promoting the image of the ICAC, maintaining an effective means of information exchange among member territories via the Institute's Secretariat and promoting the ICAC's role, responsibility and achievements in advancing the interest of the regional profession through various communication medium.

The **Technical Committee** seeks to encourage the adoption of International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA) and the harmonisation of internationally acceptable standards within the region. The Committee also has responsibility for overseeing the establishment of a regional practice monitoring programme to enhance the capacity of the accountancy profession and ensure the existence of efficient quality assurance review systems within the region.

# Committee Reports

## Education Committee



*Angela Lee Loy  
Education Committee*

The major focus during the year was that of promoting the e-learning programme launched by the ICAC in partnership with KESDEE Inc., a US-based e-learning solutions company, in March 2007.

The ICAC/KESDEE e-learning programme provides comprehensive and cost-effective online courses aimed at broadening the scope of CPE programmes available to members in the region. Details on the online courses and CPE hours accredited to each course are available on the ICAC's website at [www.icac.org.jm](http://www.icac.org.jm).

The Committee continues to request the assistance of member institutes in promoting the programme to their members. The programme is particularly beneficial to member territories that have an existing need for training and development programmes.

## Joint Seminar Committee



*Frank Myers  
Joint Seminar Committee*

The ICAC continues to explore opportunities for joint seminars with member institutes for the benefit of members in the region, particularly in the smaller territories where there appears to be a need for continuing professional development (CPD) programmes. Member institutes, however, consider their own arrangements to be adequate and so no joint seminars were held during the year. Plans are being made to host at least two joint seminars in 2009.

Efforts were made by the ICAC Secretariat to get regular updates on CPD events being hosted by member institutes in order to sensitise and encourage members within the smaller territories to take advantage of these CPD training events.

A regional calendar of CPD seminars and other events being held during 2008 was compiled by the ICAC Secretariat for the benefit of regional institutes and their members. The regional calendar was also mounted on the ICAC's website and published in the ICAC newsletter publications.



## Membership Committee



*Joan Brathwaite*  
Membership Committee

ICAC, through its member institutes, has continued efforts to increase its overall membership base and have this year seen an increase of 3.05% compared to the prior year of 0.84%.

As part of broadening the ICAC's membership base, the Membership Committee has continued dialogue with regional accountancy bodies with the aim of encouraging them to join ICAC so that the profession in the region will have a stronger unified voice.

Discussions with the **Cayman Islands Society of Professional Accountants (CISPA)** which were started in the prior year were continued.

We are also currently in discussion with two relatively recently formed associations - the **British Virgin Islands Association of Professional Accountants (BVIAPA)** and the **Suriname Association of Accountants (SUVA)**. These bodies have expressed keen interest in becoming part of the regional organisation and we are currently reviewing the necessary documents to facilitate their entry as members.

The Membership Committee has also made representation to the Board to consider an introduction of different categories of membership. The Committee is of the view that where there are potential member bodies within the region that do not yet have a well-established structure and are in embryonic stages of development, it is the responsibility of ICAC to assist in their development so that the overall standard of the profession regionally is augmented. Recommendation has been made for a category of provisional member such that the body would have a period of time where they are assisted with their development while at the same time having access to the benefits of membership of the ICAC.

In an effort to broaden the reach of the ICAC's regional association, the Board of Directors at its meeting on October 11, 2008 in Barbados voted for the ICAC to join the membership of the Caribbean Association of Industry and Commerce (CAIC). It is believed that the ICAC's affiliation with regional bodies such as CAIC is beneficial and will help to ensure that the views of the ICAC and the interest of the accountancy profession are represented at this broader regional level.

There was continued discussion during the year on the issue of reciprocity arrangements for members from one territory who wish to practice in another member territory. A task force has now been assigned with the responsibility to formalise the arrangements between the member institutes.

## Publicity Committee



*Leighton McKnight*  
Publicity Committee

During the year, the Publicity Committee provided support and input with regard to the upgrading of the ICAC website, the production of the ICAC's newsletters and the 2007 annual report.

### ICAC Website Upgrade

The redevelopment of the ICAC website was finalised by ACCA's website team in June 2008. Further to this, a local website developer was contracted by the ICAC to transfer the updated design and content provided by ACCA to the domain/server on which the ICAC website is hosted. The local website developer was also required to install an efficient content management system and provide additional enhancements to the design of the website. The fully upgraded ICAC website was completed in September 2008 and offers added-value features for members and other users.

### ICAC Newsletter

Articles of general interest to members in the region were carried in the ICAC's newsletter published in March, August and December.

The ICAC takes this opportunity to thank the Jamaica Institute of Bankers/Manchester Business School, ACCA Caribbean, CGA Caribbean, Growth Facilitators and GovStrat Limited for their support by way of advertisements in its newsletter publications during the year.

### ICAC 2007 Annual Report

The theme of the ICAC's 2007 Annual Report was, *Beyond the Walls, Creating New Opportunities*. Printed copies of the report were distributed to members of the ICAC Board and stakeholders including IFAC, who attended the 51<sup>st</sup> Board of Directors meeting and the 26<sup>th</sup> annual conference held in Trinidad and Tobago in June 2008. The report was also circulated electronically to ICAC member Institutes and was mounted on the ICAC's website.

### Media Publicity

During the year, the ICAC Secretariat prepared several press releases aimed at promoting the initiatives of the ICAC which were published in the regional and international media.

A feature article focusing on ICAC's efforts to raise standards within the regional accountancy profession was published in February 2008 in *'The Accountant'*, a London based publication which specializes in global accounting issues following on an interview with the ICAC President.

A press release highlighting the appointment of the new ICAC CEO and the work of the ICAC Secretariat was published in the print media in Jamaica in February 2008. Press releases promoting the ICAC 26<sup>th</sup> Annual Conference of Accountants were also published in the print media in Trinidad and Jamaica.

An ICAC news release on the signing of contracts for the ICAC/ACCA practice monitoring programme by the Institutes of Barbados, Guyana and Trinidad and Tobago in June 2008 was published in the print media in Guyana, Barbados and Trinidad. The release was also carried in the July 2008 issue of IFAC's *Global Digest*. In addition, the London-based publication, *'The Accountant'*, published a feature article on the regional practice monitoring programme in its August 2008 issue.

The Secretariat also arranged two radio interviews to promote the activities of the ICAC during the year. The first interview focused on the proposed ICAC/IDB Project and the other focused on the regional practice monitoring programme.



## Technical Committee



*Harryram Parmesar*  
*Technical Committee*

### ICAC/ACCA Practice Monitoring Programme

Contracts for the implementation of the regional practice monitoring programme in Barbados, Guyana and Trinidad and Tobago were signed in June 2008 by the Institutes of Barbados, Guyana and Trinidad and Tobago. These Institutes have since hosted training seminars and workshops to prepare practitioners for the commencement of practice reviews to be carried out in their respective territories by ACCA's monitoring team in 2009.

During the year, follow-up was initiated with the Institutes of the Bahamas, Eastern Caribbean and Belize with a view to advancing plans for the implementation of the monitoring programme in these territories.

### IDB Project

During the year, IDB/MIF took a decision to discontinue funding for the Accounting and Auditing Cluster which was launched to support the implementation of international accounting standards in the region. This

decision was announced at MIF's 5<sup>th</sup> Workshop of the Cluster, *'Supporting Competitiveness through International Accounting and Auditing Standards'*, held on June 9, 2008 in El Salvador.

In light of the decision to discontinue funding for the Accounting and Auditing Cluster programme, the ICAC was advised that funding would not be provided for the proposed ICAC/IDB regional initiative to support the adoption of and compliance with IAS/IFRS and ISA.

The IDB/MIF is now in the process of negotiating funding for a broad-based regional programme to provide technical support for the implementation of IFRS for SMEs and the ICAC has been invited to participate in this initiative. The ICAC has indicated its commitment to participate in the programme and is now awaiting details of the programme which are being finalised by MIF.

### 2008 CReCER Conference

The World Bank, the Inter-American Development Bank (IDB) and the International Federation of Accountants (IFAC) hosted the second CReCER conference from June 11-13, 2008 in El Salvador. In an effort to encourage participation from the region at the CReCER conference, IFAC provided sponsorship for up to two persons from the region who would be attending the conference. This information was circulated to member institutes. The ICAC accepted the sponsorship offer and was represented at the conference.

### IASB's SME Accounting Standards Review

In April 2008 David Raggay, IFRS Consultant, advised that the IASB Board would be reconsidering recognition and measurement simplifications in the areas of Leases, Income Taxes, Pensions and Amortisation. The ICAC and regional institutes were invited to submit comments on disclosures and other issues for submission to the IASB Board. Feedback received from the Institute of Chartered Accountants of Barbados was submitted to the IASB Board.

### IASB Updates

Updates received from the IASB during the year were circulated to Directors for their information and for comments, where necessary.

# Territorial Reports



Bahamas

## The Bahamas Institute of Chartered Accountants

The Bahamas Institute of Chartered Accountants' (BICA) agenda for 2008 focused on making the Institute more relevant to members and to the accountancy profession in the Bahamas. This included projects and initiatives designed to improve and advance the profession, further the development of the Institute, broaden the scope of membership and affiliations and provide more benefits to members.

### Annual General Meeting and Council Changes

BICA held its 17<sup>th</sup> Annual General Meeting at the British Colonial Hilton Hotel, Bay Street on Wednesday, July 9, 2008. The officers elected for the year 2008-2009 are:

Daniel Ferguson	- President
Ronald Knowles	- 1 <sup>st</sup> Vice-President
Philip Galanis	- 2 <sup>nd</sup> Vice-President
Nicolette Gardiner	- Treasurer
Roslyn Minnis	- Secretary
Lambert Longley	- Past President
Peter Turnquest	- Chairman – Freeport
Reece D. Chipman	
Pedro Delaney	

### Compliance with International Accounting and Auditing Standards

As a member of the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of the Caribbean (ICAC), BICA continues to host training sessions for its members in relation to international accounting and auditing standards. In addition, during Accountants' Week held in November, a day's session was dedicated to providing technical updates on the accounting profession to participants.

### Continuing Professional Development

On March 12, BICA hosted a seminar in collaboration with the Association of Chartered Certified Accountants (ACCA) at which Mr. Chas Roy-Chowdhury, presenter from the United Kingdom, addressed the topic, "*Ethics and Risk Management*".

A seminar entitled, "*Accountant's Role in the Banking Industry*" was also held on October 15. The seminar focused on the accounting requirements for commercial loans and addressed the need for investment strategies for the ever-changing market environment. Brian Smith, Project Manager at Bahamas Automated Clearing House spoke on the electronic interbank settlement system that was launched in October, 2008 by clearing banks in the Bahamas. The Central Bank of The Bahamas will provide the regulatory oversight for this system.



A seminar on the topic, “*Financial Statement Preparation: Compilations, Reviews, Audits – A Practical Approach*” was also held in December.

### **Impact of the Profession on National Development**

In keeping with our commitment to The College of the Bahamas, the BICA Award of Excellence was presented to the student with the highest GPA in accounting at the College’s graduation ceremony. In addition, BICA’s annual Scholarship Award was presented to the Scholarship Division of the College.

The Institute held a roundtable discussion on the Economic Partnership Agreement in April. The presenter was Simon Wilson, Director of Economics, Ministry of Finance, who spoke on the Agreement and how it will impact the Bahamian Economy and professionals. BICA also presented a paper outlining its position on the agreement which was submitted to the Government.

### **Membership**

BICA’s membership for the year 2008 was 450.

In an effort to provide more benefits for members, the Institute negotiated an agreement with a local bank, Finance Corporation of the Bahamas (Finco), for members to obtain a mortgage loan at a reduced interest rate. The Institute is also in negotiation with Bahama Health, a division of Family Guardian Insurance Company, for group health insurance for members.

### **Operational Matters**

Efforts are being made to establish a “permanent home” for the Institute and discussions are ongoing with regard to identifying a suitable location.

We wish to thank members of Council for their time and contribution to the work of the Institute and to the general membership for their support during the year.



## Territorial Reports



Barbados

## Institute of Chartered Accountants of Barbados

In 2008, the Institute of Chartered Accountants of Barbados (ICAB) continued to improve on its mandate to provide support to its members and to be a source of reference on accounting-related issues within the Barbados economy. The Institute has also taken measures aimed at increasing awareness among the business community and the general public of the value-added benefits of relying on the technical competencies of ICAB members.

### Annual General Meeting and Council Changes

At the Annual General Meeting (AGM) held on May 29, 2008, ICAB President, Patrick Hinkson, gave a brief overview of the business activities during the past year, emphasizing the prevalence of mergers and acquisitions and the need for common rules and regulations pertaining to such activities throughout the region.

Two new members, Diana Weekes-Marshall and Karol Ashby, were elected to serve on the Council and at the first council meeting held after the AGM, a new executive committee was elected as follows:

Rueben Blenman	- President
Andrew Brathwaite	- Vice President
David Simpson	- Treasurer
Diana Weekes-Marshall	- Secretary
Patrick Hinkson	- Immediate Past President

### Regulatory/Monitoring Activities

ICAB finalised its agreement with the Association of Chartered Certified Accountants (ACCA) for a practice monitoring programme and monitoring reviews are scheduled to commence during 2009. In addition, Council approved the framework for a Practice Monitoring Committee that will administer the monitoring programme, receive reports from ACCA's monitoring team, and recommend follow-up action where necessary.

### Compliance with International Accounting and Auditing Standards

During the year, the Institute held seminars on International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA) to update members on changes to these standards. The ISA seminar also covered material that will assist practitioners in preparing for the implementation of the practice monitoring programme.

Two workshops were also held on the topic, "*Practical Application of Audit Techniques*," which attracted junior and senior audit staff primarily from the smaller audit firms.

### Continuing Professional Development

The Institute continues to fulfill its mandate to deliver relevant continuing professional education courses for the benefit of members and the general public. Courses totalling 53 CPE hours were delivered for the year.



## Student Matters

In July 2008, the Institute concluded negotiations with ACCA for a new contract for the delivery of student examinations and other joint projects.

Approximately 53 students of the CAT and professional programme graduated during the 2008 ACCA graduation ceremony. In addition, the Certified General Accountant (CGA) programme celebrated 15 new professional accountants.

ICAB's annual scholarship was awarded to a second-year student enrolled in the accounting programme at the University of the West Indies Cave Hill campus.

## Impact of the Profession on National Development

During the year, the Government announced plans to significantly increase the annual registration fee for accountants and other professionals and trades personnel. The Institute lent its support to lobbying government to reconsider this increase particularly as investigations reveal that accountants in other ICAC member territories, for the most part, are not subject to professional registration fees.

Council has recognised the need for the Institute to become more vocal on matters of public interest and as such the theme of ICAB's 2008 Annual Conference was, "*Beyond the Numbers: Developing strategies to achieve transparency, accountability and good governance*". The conference included sessions on corporate governance, accounting and financial risk management, tax update and ethics. A record number of 250 delegates were in attendance.

In response to concerns expressed by members, the Institute arranged a presentation on the implications of the Economic Partnership Agreement (EPA). The Institute has plans to work with a consultant in order to assess the opportunities and threats of the EPA for the benefit of members.

During the year, members of Council also met with the Auditor-General and Accountant-General of Barbados to discuss matters of mutual interest and of relevance to the profession.

## Regional & International Focus

At the regional level, Joan Brathwaite was re-appointed as ICAB's representative on the ICAC Board. The Institute held discussions with ACCA, CGA Canada and CMA Canada (Certified Management Accountants of Canada) during the year with a view to exploring areas for cooperation, particularly, in relation to regulation, technical assistance and continuing professional development.

## Membership

Membership within ICAB increased to 650, representing an increase of 5% over the previous year. Membership distribution by sectors is as follows:

Public Practice	35%
Industry	37%
Public Sector	8%
Financial Services	13%
Other	7%



## Territorial Reports

The Institute is cognisant of the fact that not all qualified accountants are members. Therefore, in an effort to attract these persons, the Institute has embarked on a series of public education programmes, highlighting the benefits of membership within ICAB.

### Operational Matters

A review of ICAB's strategic direction during the year determined that the Institute should be more proactive in contributing to economic development and social issues in Barbados. As a result, greater emphasis was placed on these areas and a media relations advisor was contracted to provide support in achieving this objective.

The review also highlighted the need for institutional strengthening and to this end an operational assessment of the Institute was undertaken. It is anticipated that the output of this process will guide further development of staff as well as identify areas of concern for stakeholders.

Special thanks to all members of Council and Committees who volunteered their services throughout the year and to the staff of the ICAB Secretariat for their support and for providing a vital link between Council and members.





Belize

## Institute of Chartered Accountants of Belize

### Annual General Meeting and Council Changes

The Institute's Annual General Meeting was held in April 2008. There was no change in the composition of the Council which remained as follows:

Brett Feinstein	- President
Claude Burrell	- Vice President
Mario Stuart	- Treasurer
Reynaldo Magana	- Secretary
Ernest Castro	- Council Member
Michael Coye	- Council Member

Council approved new initiatives for continuing professional education (CPE) and new membership fees aimed at improving the delivery of service to members.

### Regulatory/Monitoring Activities

Efforts are also being made to remove ambiguities where persons are practicing without a practice certificate. In addition, ICA-Belize remains committed to regional initiatives by the ICAC to improve the accountancy profession.

### Compliance with International Accounting and Auditing Standards

It is mandatory that all practicing members of the Institute comply with IFRS international accounting and auditing standards. The Institute will continue to monitor and ensure compliance with these standards.

### Continuing Professional Development

The Institute will be collaborating with ACCA to host two seminars during 2009 in an effort to assist members in fulfilling their mandatory requirements for continuing professional education.

### Impact of the Profession on National Development

The Institute actively participated in a number of workshops on strategic planning and implementation hosted by both the Ministry of Trade and the Belize Chamber of Commerce and Industry.

### Regional and International Focus

The Institute is represented on the ICAC Board by the President, Brett Feinstein. The Institute also maintains a relationship with overseas bodies through its members in Canada and the USA.

### Membership

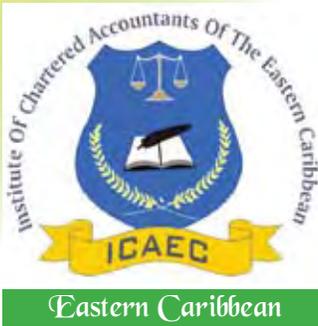
ICA-Belize's membership has remained at approximately 50 for the past five years.

There was a further decline in student membership in 2008 to 55 due to the lack of tuition providers. The Institute continues to look at measures to address this problem.

### Operational Matters

Council has undertaken initiatives to modernise and improve the Institute and its service to members. This included the employment of a full-time administrator during the year to carry out the work of the Secretariat.

## Territorial Reports



## Institute of Chartered Accountants of The Eastern Caribbean

The Institute of Chartered Accountants of the Eastern Caribbean continues to seek ways to promote, foster and maintain the highest standards of practice among members of the profession in the Eastern Caribbean.

### Council Changes

There was no change in the composition of the Council which remained as follows during the year:

Frank Myers	- President
Erwin Southwell	- Vice President
Donald Thompson	- Treasurer
Brian Glasglow	- Secretary
Yvonne Simon	- Council Member
Orlando Patterson	- Council Member

### Regulatory/Monitoring Activities

The Council of the ICAEC recognises the importance of ensuring that its members establish and maintain an efficient quality assurance system. The Council is, therefore, committed to participating in the ICAC's regional practice monitoring programme which is being done in collaboration with ACCA. It is anticipated that the monitoring contract for the implementation of the programme in the Eastern Caribbean will be signed before June 30, 2009. Efforts will also be made in 2009 to sensitise members about the programme in preparation for the commencement of practice monitoring.

### Continuing Professional Development

In October, the ICAEC (Antigua and Barbuda branch) held a joint seminar with the Certified General Accountants (CGA) on the topic, *Accounting Red Flags and the Financial Headlines of 2008*. The seminar attracted some 52 persons.

The Antigua and Barbuda branch, in association with ACCA, also held an Anti-Money Laundering seminar in May 2008. A seminar on Professional Ethics was held in September 2008.

On November 12, 2008, the St. Lucia branch held a seminar which focused on IFRS 7, IAS 1 (revised), IAS 32 and IAS 39. Among the topics covered were Market-to-Market Valuation, Classifying Financial Instruments as debt or equity, Recognition and de-recognition of Financial Instruments and Impairment of Financial Instruments. Participants were also introduced to the subject of Derivatives and Hedging. The seminar attracted participants from Antigua, St. Vincent, Grenada, St. Kitts and Dominica.

On December 16, 2008, a follow-up CPD seminar was held on IFRS 7, IAS 1 (revised), IAS 32 and IAS 39. Seminar facilitators were Mr. David Raggay of IFRS Consultants Inc. of Trinidad and Mrs. Andrea St. Rose of Andrea St. Rose and Associates.



## Impact of the Profession on National Development

The ICAEC (Antigua and Barbuda branch) held its Accountants' Week over the period September 22-26, 2008. The week was held under the theme, *Ethics – the Backbone of our Profession*, which was chosen to remind members that the practice of accountancy and the provision of audit services were not only concerned with qualifications and continuing professional education but also ethical behavior. To this end, interviews were done on radio and television programmes aimed at promoting the work of the Institute and to sensitise the public about the regulations and requirements for persons offering services to the public as auditors. Members also visited schools and provided career guidance to young persons desirous of becoming accountants.

A seminar on Business Ethics was held on Wednesday, September 25, which attracted some 40 participants. The seminar facilitator was Rev. Charlesworth Browne, a lecturer on Business Ethics at the University of the West Indies, School of Continuing Studies.

During the year, ICAEC (Antigua & Barbuda) presented its annual accounting bursary to a second year accounting student at Cave Hill, Barbados.

## Operational Matters

The new website for the ICAEC Antigua and Barbuda branch is now fully functional and can be accessed at [www.icaecab.org](http://www.icaecab.org). The website is intended to help enhance communication between the Council and the general membership.

## Membership

Membership for the Eastern Caribbean Institute has remained at 133 for several years. Efforts are being made to encourage eligible persons to join the institute within their respective territories and to contribute to developing the accountancy profession in the Eastern Caribbean.

The ICAEC extends special thanks to members of Council for their support during the year.



Guyana

## Institute of Chartered Accountants of Guyana

### Council Changes

The executive members of the Council for the period 2008-2009 are:

Khalil Alli	- President
Colin Thompson	- Vice President
Gobardhan Resaul	- Secretary
Chandradat Chintamani	- Treasurer

Other members of Council are Rameshwar Lal, Ronald Alli, Paul Chan-A- Sue and Harryram Parmesar

### Regulatory/Monitoring Activities

On May 3, 2008, the Institute entered into an agreement with ACCA for practice monitoring services to be carried out in Guyana. The agreement was signed simultaneously with the Institutes of Chartered Accountants in Barbados and Trinidad & Tobago. Practice monitoring will apply to all practicing members of the ICAG and will seek to assess compliance with international standards on auditing and quality control. Practice monitoring visits by ACCA's monitoring team will commence in July 2009.

In preparation for the monitoring programme, ICAG members were invited to a practice monitoring workshop conducted by Mr. Michael Scott on behalf of the Institute of Chartered Accountants of Trinidad and Tobago in September 2008 in Trinidad. Sha Ali Khan, ACCA's Head of Practice Monitoring, also conducted a seminar for practicing members of ICAG on November 5, 2008. The seminar focused on various aspects of the monitoring programme including the scope and structure of monitoring visits, the examination of files and the reporting processes.

### Continuing Professional Development

On May 31, 2008, the Institute hosted a seminar on the topic, *Hedging and Hedge Accounting*. The seminar covered the principles, forms and markets for hedges along with the principles of hedge accounting as set out in International Accounting Standard 39, *Financial Instruments: Recognition and Measurement*.

The Institute, in collaboration with ACCA, held a seminar in August entitled, *Managing Conflict for Organisational Performance*. The topics covered included conflict analysis and mapping, dealing with conflict, conflict resolution and problem-solving.

On August 18, the Institute hosted a session on the Economic Partnership Agreement signed between the governments of CARICOM and the European Union. The presenter was Professor Clive Thomas of the University of Guyana, who provided insight into the development of the agreement, the main provisions contained therein and an assessment of the likely impact of the agreement on Guyana and the accountancy profession.

### Student Membership

During the year, 14 students successfully completed the ACCA examinations while 152 students successfully completed the Certified Accounting Technician (CAT) examinations.



## Membership

Attracting eligible persons resident in Guyana into membership of the Institute remains a major goal for Council. During the year, the Institute was successful in increasing its membership with the admission of eight new members. Total membership as at December 31, 2008 was 68, of which 23 are members in practice or in the service of a member in practice and 43 are members not in practice.

ICAG continues to encourage other eligible persons to join the Institute in order to benefit from lower fees for technical seminars, opportunities to network with other professionals and to contribute to the development of the profession locally.

## Regional and International Focus

The Institute maintained its membership with the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of the Caribbean (ICAC) for the year. The Institute is represented on the ICAC Board by Harryram Parmesar, who serves as Vice President of ICAC and Khalil Alli, who serves as Alternate Director for Guyana.

ICAG is pleased to host the ICAC's 27<sup>th</sup> Annual Caribbean Conference in Guyana over the period June 25–27, 2009. The theme for the Conference is *Reflection for the Future*. Presentations will be of the highest quality and a cadre of expert speakers will be selected from the region and internationally.

## Conclusion

Council records its appreciation to all members who served and volunteered their services to the various activities of the Institute during the year, as well as to the administrative staff of the Institute.

## Territorial Reports



Jamaica

## Institute of Chartered Accountants of Jamaica

One of the main priorities for the ICAJ Council for 2008 was revising the Institute's Bye-Laws. The amendments to the Bye-Laws were approved at the Annual General Meeting in July. The formulation of plans aimed at ensuring that the profession is on par with the implementation of and compliance with international standards remains an area of importance.

Emphasis was also placed on finalising plans for the Institute's project to further develop the property which now houses the ICAJ Secretariat at 8 Ruthven Road. The plan is to develop a modern state-of-the-art office facility. A ground-breaking ceremony is scheduled for January 2009 and construction is expected to commence during the first half of 2009. A single-storey structure, estimated to cost J\$30 million is to be erected during this first phase of the project.

### Annual General Meeting & Council Changes

Following the Institute's 43<sup>rd</sup> Annual General Meeting held on July 30, 2008, the executive officers re-elected to serve for the year 2008-2009 were:

Prunella Vassell	- President
Archibald Campbell	- Vice-President
Patrick Chin	- Treasurer
Ethlyn Norton-Coke	- Secretary

Other members of Council for the period are Vintoria Bernard, Ann-Marie Rhoden, Dennis Chung, L. Garth Kiddoe, Dennis Brown, Martin Gooden and Linroy Marshall. Mr. Audley Gordon, who was appointed to fill a vacancy created by the resignation of Carey Metz in April 2008, was duly elected to Council.

### Regulatory/Monitoring Activities

In compliance with IFAC's International Standard on Quality Control (ISQC) 1, which mandates member bodies to establish and maintain a system of quality control, the ICAJ hosted a practice monitoring session and two follow-up workshops for its members in June. The events were held under a project funded by the Private Sector Development Programme (PSDP) and were aimed at providing training for practitioners in preparation for a practice monitoring programme to be implemented by the ICAJ in conjunction with the ICAC and the Public Accountancy Board (PAB). The practice monitoring programme is slated to commence in 2009 as soon as certain arrangements are finalised.

During the year, the Institute collaborated with regulators and other statutory agencies concerning legislative matters. Work was carried out in conjunction with the Financial Services Commission (FSC) toward creating a draft policy on Pension Schemes, further to the passing of a new Pensions Act 2004.

Through its Public Sector Committee, the Institute is playing an integral role in advising the Government of Jamaica in its efforts to adopt International Public Sector Accounting Standards (IPSAS) to improve accountability in the public sector.



## Compliance with International Accounting and Auditing Standards

Training workshops were held during the year to assist members and other stakeholders in effectively applying new and revised IFRS issued by the International Accounting Standards Board (IASB). In addition, the ICAJ's Accounting Standards and Audit Practice Committees continued to monitor compliance with IFRS and ISA, while providing guidance to members and other stakeholders. The Institute's programme to review published financial statements to ensure effective monitoring of compliance with IFRS by companies operating in Jamaica is also ongoing.

## ICAJ/IDB Technical Cooperation Project

Having completed most activities under the Technical Cooperation Project in 2007, final reports under the following contracts were received during 2008:

- Design and Delivery of Training Programmes;
- Building Compliance and Enforcement Capabilities;
- Members' Needs Assessment and Research;
- Updating the Institute's Website; and
- Strategic Planning for Sustainability

The final audit of the project was conducted by External Auditors during the year and was accepted by the Inter-American Development Bank (IDB).

As at December 2008, the project was in its final stage of completion and a closing workshop was to be conducted by the IDB to assess its impact. This was anticipated for the first quarter of 2009.

## Continuing Professional Development

The ICAJ hosted nine training events which included seven CPD seminars and two workshops in 2008. This was in keeping with its emphasis on ensuring the continuing professional development of its members.

## Impact of the Profession on National Development

The ICAJ collaborated with the University of the West Indies to host two events in July in commemoration of UWI's 60<sup>th</sup> anniversary and the long-standing relationship between the Institute and UWI. The events held on July 17, 2008, were a symposium entitled, "*Caribbean Impact, Global Reach*" and a dinner at which seven ICAJ members were honoured for their outstanding contributions to the accountancy profession.

ICAJ's Current Affairs Committee hosted two fora in 2008 aimed at increasing the profession's contribution to public debate on issues of national importance. The forum held on March 19 was entitled, *Gender Imbalance - Implications for National Development*. The second forum entitled, *Is the World Food/Energy Crisis Contrived? What are the Challenges and Opportunities Facing Jamaica?*, was held on September 10.

## Territorial Reports

### Regional and International Focus

A small contingent comprising four ICAJ Council members participated in the 37<sup>th</sup> Annual National Convention and Diversity Recruitment Exposition hosted by the National Association of Black Accountants (NABA) in Atlanta, Georgia in June.

In addition, ICAJ was well-represented at the Institute of Chartered Accountants of the Caribbean (ICAC) 26<sup>th</sup> Annual Conference held over the period June 26-28, in Trinidad and Tobago, with a delegation of over 120 persons.

ICAJ continues to demonstrate its support to the ICAC through the contribution of immediate Past President, Leighton McKnight, who has served as Secretary of ICAC since June 2007. ICAJ considers its relationship with ICAC to be critical in maintaining its ties with other regional professional accounting bodies and towards harmonising entry qualifications for the region's accountancy profession.

### Student Membership and Examination Performance

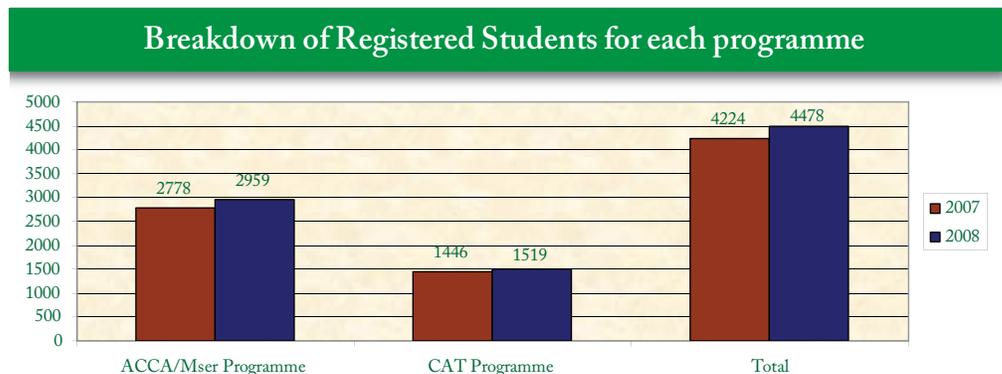
At the start of 2008, ICAJ renewed for one year, its arrangement with the Certified General Accountants of Canada (CAG) to support its members and students in Jamaica and to assist administratively in promoting the CGA designation.

During the year, new contracts were also signed with ACCA for the ICAJ/ACCA Joint Scheme arrangement for the Certified Accounting Technician (CAT) and the ACCA Professional Examinations. These new contracts are for a two-year period and took effect August 1, 2008.

In December 2008, the number of students on the ICAJ/ACCA Joint Scheme Register stood at 4,478; an increase of 254 over the total of 4,224 students on the register at December 2007.

ICAJ in conjunction with ACCA hosted the annual graduation ceremony

on August 29, 2008 for students completing the CAT programme. More than 120 students were successful in completing the June and December 2007 sittings of the CAT examination. The joint ICAJ/ACCA graduation ceremony in honour of 175 students who were successful in the December 2007 and June 2008 sittings of the ACCA Professional Examination was held on October 25, 2008.

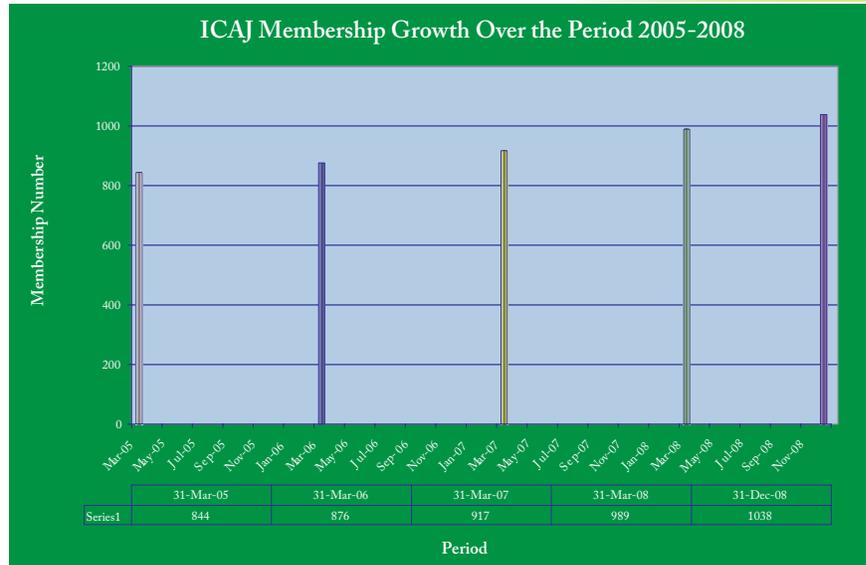


### Membership

In 2008, the Institute achieved a three-year-old target of taking its membership beyond the 1,000 mark. At the end of the year, the ICAJ's membership stood at 1,038 (including members in retirement). The Institute will continue to implement plans aimed at achieving a minimum of 10% growth in membership for 2009.

### Operational Matters

Council and Chairpersons of Committees participated in a Strategic Retreat on November 9, 2008 in an effort to appropriately position the



Institute for the future. The aim of the retreat was to determine the way forward and to develop a road map for strategic direction for the Institute for the next three to five years. This was deemed necessary in light of the findings/recommendations made in four of the five contracts carried out under the IDB Project. Decisions resulting from the strategic meeting will be implemented on a phased basis. Among the areas to be targeted are, improving the Institute's ability to meet the needs of members and students, increasing compliance with International Financial Reporting and Auditing Standards, website development and the planned building development project.

### Conclusion

ICAJ is committed to the growth and development of the accountancy profession locally, regionally and internationally and will continue to actively play its part towards achieving these objectives.



## Territorial Reports



### Trinidad and Tobago

## Institute of Chartered Accountants of Trinidad and Tobago

The Institute of Chartered Accountants of Trinidad and Tobago (ICATT) had another very successful year in pursuit of its strategic objectives. A Chief Executive Officer was appointed effective April 2008 as a necessary step in strengthening the institutional capacity of the Institute. The new CEO has initiated the transformation of the Institute in accordance with its strategic plan and the major changes required to re-position the Institute to better serve stakeholders.

### Council Changes

At the Institute's Annual General Meeting held on March 27, 2008, the following members were elected to serve on Council for the term 2008-2009.

Sean Ramirez	- President
Anthony Pierre	- Vice President
Angela Lee Loy	
Richard Roach	
Kyle Rudden	
Ramganie Bob Gopee	
Andrew Tom	
Marcia King-Urquhart	
Dexter Daniel	
Richard Jones	
Nicole Lalsingh	
Nicole Lawrence	
Garvin Francis Lau	

### Regulatory/Monitoring Activities

Practice monitoring commenced in October 2008 and onsite reviews will start in January 2009. All auditing firms will be subject to practice monitoring and all firms will be reviewed over a six-year period. The monitoring programme is part of a regional initiative under the ICAC umbrella.

Two practice monitoring workshops were held during the year to sensitise small and medium practitioners about the practice monitoring review process. The workshops were conducted by Michael Scott of PCP Trainers, UK.

### Special Project Activities

The Institute's rules and regulations have not kept pace with changes both locally and internationally thus making it imperative for ICATT to undertake a full review and revision of all its rules and regulations. In 2008, Council agreed to initiate a project to rewrite the rules and regulations of the Institute to make them compliant with IFAC requirements and to reflect international best practices. ACCA was engaged as the consultant for the project based on its experience in carrying out similar projects in the Caribbean and Europe.

The Institute approached the IADB to utilise part of the grant funding to undertake this major project and in September 2008, negotiations on funding and the engagement of ACCA was completed. The revised rules and regulations are expected to be available by mid-2009.

### Continuing Professional Development

In addition to the practice monitoring workshops held in April, members also received CPD credits for attending workshops during Accountants' Week, which took place during the week of September 8–13, 2008.

Accountants' Week commenced with a breakfast meeting on *"Ethics and Governance"*. The main address was presented by the Minister of State in the Ministry of Finance, Senator Mariano Browne. A soft skills workshop conducted by the renowned Lifestyle Strategist, Dr. Ola Madsen, on *"The Keys to Unlocking Total Health in Your Life"* as well as a taxation workshop on the changes and updates to Corporation Tax and VAT which was held during the week.

During the year, ICATT partnered with the CFA Society of Trinidad and Tobago in hosting a seminar entitled, *"Capital Markets Infrastructure, Developments in a Globalised World"*. The main presenter was Mr. Bud Haslett of CFA Institute.

### Student Membership

During 2008, the number of students registered for the ACCA and CAT examinations were 6,563. A graduation ceremony for 229 Certified Accounting Technicians was held in April while 247 ACCA graduates were honoured at a ceremony in October 2008.

### Impact of the Profession on National Development

On October 24, 2008, the Institute hosted a breakfast meeting at the Trinidad Hilton and Conference Centre to address the issues affecting Trinidad and Tobago's economy in light of the financial crises in Europe and the United States of America. ICATT found it necessary as regulators for the accountancy profession to ensure that members and the wider public were informed about the impending effects of this worldwide economic "melt down" and the ways to ensure long-term sustainability in every strata of the economy. The panelists included Senator, the Honourable Mariano Browne, Minister of State in the Ministry of Finance; Mr. Ian Narine, Centre Director, Scotia Private Client Group; Mr. Wain Iton, General Manager, T&T Stock Exchange; Mr. Sean Ramirez, President, ICATT and Mrs. Karen de Montbrun, President, T&T Manufacturers' Association.

During the year, meetings were held with key stakeholders in order to strengthen the relationships and build better alliances. These meetings are an integral part of the Institute's strategic plan. Meetings with other stakeholders such as the Board of Inland Revenue, Commissioner of Co-Operatives, the Trinidad and Tobago Stock Exchange and Comptroller of Accounts will continue in 2009.

### ICAC/ICATT Conference 2008 – Beyond the Wall

The 26<sup>th</sup> Annual Conference of the Institute of Chartered Accountants of the Caribbean (ICAC) was held in Trinidad and Tobago from Thursday June 26 to Saturday, June 28, 2008. The conference was held at the prestigious Hyatt Regency Trinidad Hotel.

The Institute of Chartered Accountants of Trinidad and Tobago was pleased to be the host of the conference which was themed, *"Beyond the Wall"*.

## Territorial Reports

The conference attracted a record high of 600 delegates, the highest level achieved at any conference thus far. The presentations and panels were of a high quality and included local and international presenters, who brought a wealth of experience to the discussions. Presenters included:

- The Honourable Patrick Manning – Prime Minister, Trinidad & Tobago
- Fermin del Valle – President, IFAC
- Sylvia Barrett - Deputy Director, IFAC
- Richard Aitken-Davies – President, ACCA
- Ron Colucci - Chairman, CGA Canada
- Peter May – Global Office HR and Global Talent Management, Deloitte & Touche
- Jeff Sealy - Consultant, The Business Network
- Brian Charles Lara – Former West Indies Cricketer
- Paul Keens Douglas – Author/Comedian

The topics presented covered a wide range of issues from audit quality and assurance to talent management.

## Membership

During the latter part of 2008, two new committees were formed in pursuit of ICATT's strategic objective to broaden participation by members. The role and responsibilities of these committees are in line with the International Federations of Accountants (IFAC) guidelines. The Small and Medium-Size Practitioners (SMP) Committee was established to promote the interest of practitioners. Practice monitoring which was introduced in 2008 has heightened the need for SMPs to pursue relevant continuous professional development. The second committee is a Professional Accountants in Business (PAIB) Committee, which was formed to promote the interest of professional accountants. Membership of this committee comprises mainly CFOs from a wide cross-section of industries.

ICATT continues to explore opportunities to encourage qualified accountants to join the Institute. During 2008, 10 applications for practicing certificates and 46 applications for members not in practice were approved. At the end of December 2008, ICATT's membership was as follows:

Members in Practice	181
Members not in Practice	521
Members Overseas	42
Members in Retirement	49
	<b><u>793</u></b>

During the early part of 2008, the membership application forms and process were streamlined and the new forms and guidelines are available on our website. The Institute will continue to seek ways to attract new members during 2009.

## Operational Matters

In 2008, the Institute hired a qualified Accountant and a Membership Training Officer to further strengthen the Institute's capacity and to carry out its strategic objectives.

## Conclusion

ICATT continues in its effort to have a well-balanced Council that represents diverse stakeholders and to encourage all accountants to support the growth and development of the profession in Trinidad and Tobago.



# Membership of Regional Institutes/Councils

POSITION HELD	BAHAMAS	BARBADOS	BELIZE	ICAEC	GUYANA	JAMAICA	TRINIDAD AND TOBAGO
<b>President</b>	Daniel Ferguson	Rueben Blenman	Brett Feinstein	Frank Myers	Khalil Alli	Prunella Vassell	Sean Ramirez
<b>Vice-President</b>	Ronald Knowles	Andrew Brathwaite	Claude Burrell	Erwin Southwell	Colin Thompson	Archibald Campbell	Anthony Pierre
<b>Vice-President</b>	Philip Galanis						
<b>Secretary</b>	Roslyn Minnis	Diana Weekes-Marshall	Reynaldo Magana	Brian Glasgow	Gobardhan Resaul	Ethlyn Norton-Coke	Cynthia Lyons
<b>Treasurer</b>	Nicolette Gardiner	David Simpson	Mario Stuart	Donald Thompson	Chandradat Chintamani	Patrick Chin	Richard Roach
<b>Council Member</b>	Lambert Longley	Patrick Hinkson	Ernest Castro	Anthony Atkinson	Rameshwar Lal	Dennis Brown	Dexter Daniel
<b>Council Member</b>	Peter Turnquest	Michael Carrington	Michael Coye	Neil Coates	Ronald Alli	Dennis Chung	Ramganie Bob Gopee
<b>Council Member</b>	Reece D. Chipman	Winsmore Humphrey		Yvonne Gellineau-Simon	Harryram Parmesar	L. Garth Kiddoe	Nicole Richards-Lawrence
<b>Council Member</b>	Pedro Delaney	Joan Brathwaite			Paul Chan-A-Sue	Vintoria Bernard	Richard Jones
<b>Council Member</b>		Carol Nicholls				Ann Marie Rhoden	Marcia King-Urquhart
<b>Council Member</b>		Felton Burton				Carey Metz	Andrew Tom
<b>Council Member</b>		Dennis Shemeluck				Martin Gooden	Nicole Lalsingh
<b>Council Member</b>		Petula Ashby				Linroy Marshall	Garvin Francis-Lau
<b>Council Member</b>		Karol Ashby				Audley Gordon	Kyle Rudden
<b>Council Member</b>		Michelle White-Ying					Angela Lee Loy
<b>Council Member</b>		Roger Arthur					



# Treasurer's Overview



*Brian Robinson  
Treasurer*

The ICAC has again recorded a surplus such that at the end of 2008 the accumulated surplus was US\$6,789.

The profit for the year was earned primarily from the profit share of the annual conference. The 2008 conference, held in Trinidad and Tobago, attracted a record number of 600 participants and a significant increase in the level of sponsorship over prior years. The membership dues have remained relatively flat as no increases were charged during the year.

While the Institute in recent years has realized a surplus that has enabled it to reverse its accumulated deficit, there is a concern that the conference may not be able to sustain this trend. This concern is based on the potential negative impact that the current recession may have on attendance and sponsorship of the annual conference.

The outlook for 2009 for ICAC is to continue to place emphasis on increasing revenue by broadening membership through encouraging accountancy organizations to become affiliate members and also to assist member territories in their efforts to increase their membership base. The ICAC also has plans to host seminars in collaboration with its affiliates and smaller member institutes to help meet their existing need for continuing professional development programmes.

It is also anticipated that there will be an increase in expenses in 2009 as the Institute increases its activities in keeping with its strategic plans. This includes an increase in the Institute's participation and contribution in regional and international fora as it seeks to build partnerships and increase its role and presence as an umbrella organization advancing the interest of the accountancy profession in the region.

The ICAC will also continue to focus on implementation of the regional practice monitoring program within member territories. However, the project which is being carried out in collaboration with ACCA has very little financial impact on the Institute as the cost relating to the monitoring process is borne by the participating institutes.

During the year 2008, the ICAC complied with all its statutory contributions and its annual returns are current.



**Institute of Chartered  
Accountants of the Caribbean**

# **Financial Statements**

**Year Ended December 31, 2008**



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

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## Independent auditors' report

**Mair Russell Grant Thornton**  
**Kingston**  
3 Houghton Avenue  
Kingston 10  
**Montego Bay**  
56 Market Street  
St. James  
Jamaica, West Indies  
T +1 876 926 4513/2597

**To the Members of  
The Institute of Chartered Accountants of  
the Caribbean**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Institute of Chartered Accountants of the Caribbean, as set out on pages 3 to 22, which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in reserves and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

#### *Auditors' Responsibility*

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

.../2





## Independent auditors' report (cont'd)

**To the Members of  
The Institute of Chartered Accountants of  
the Caribbean**

### **Report on the Financial Statements (cont'd)**

#### *Auditors' Responsibility (cont'd)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 management, 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.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Institute as at December 31, 2008, and of the Institute's financial performance, changes in reserves and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **Report on Additional Requirements of the Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act, in the manner so required.

Kingston, Jamaica

June 8, 2009

A handwritten signature in black ink that reads "Mair Russell Grant Thornton".

Chartered Accountants



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF THE CARIBBEAN****BALANCE SHEET****DECEMBER 31, 2008**

	<u>Note</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Equipment	(5)	4,395	5,021
Deferred tax asset	(6)	5	-
		<b>4,400</b>	<b>5,021</b>
<b>Current assets</b>			
Taxation recoverable		5,233	4,910
Membership dues and other receivables	(7)	3,241	10,462
Cash and cash equivalents	(8)	63,149	54,033
		<b>71,623</b>	<b>69,405</b>
<b>Total assets</b>		<b>76,023</b>	<b>74,426</b>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
Development fund	(9)	45,579	45,579
Administrative assistance development fund	(10)	14,837	14,837
Accumulated surplus		6,798	2,705
<b>Total reserves</b>		<b>67,214</b>	<b>63,121</b>
<b>Liabilities</b>			
<b>Non-current liability</b>			
Deferred tax liability	(6)	-	195
		-	<b>195</b>
<b>Current liabilities</b>			
Payables and accruals	(11)	7,811	10,018
Owing to members	(12)	998	998
Income tax payable		-	94
		<b>8,809</b>	<b>11,110</b>
<b>Total liabilities</b>		<b>8,809</b>	<b>11,305</b>
<b>Total reserves and liabilities</b>		<b>76,023</b>	<b>74,426</b>

The notes on the accompanying pages 7 to 22 form an integral part of these financial statements.

Approved for issue by the Board of Directors on June 8, 2009 and signed on its behalf by:

 President  
Ms. Angela Lee Loy

 Treasurer  
Mr. Brian Robinson



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**INCOME STATEMENT**  
**YEAR ENDED DECEMBER 31, 2008**

	<u>Note</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
<b>Revenue</b>	(21)		
Subscriptions		59,670	58,218
Annual conference and seminars		28,533	19,241
Interest on short-term deposits		1,916	1,765
Other income	(13)	8,137	2,330
		<b>98,256</b>	<b>81,554</b>
Administrative and other expenses	(14)	(94,289)	(65,983)
Surplus for the year before tax	(15)	3,967	15,571
Income tax	(16a)	126	(504)
<b>Surplus after tax</b>		<b>4,093</b>	<b>15,067</b>

The notes on the accompanying pages 7 to 22 form an integral part of these financial statements.



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**STATEMENT OF CHANGES IN RESERVES**  
**YEAR ENDED DECEMBER 31, 2008**

	Development fund	Administrative assistance development fund	Accumulated (deficit)/surplus	Total
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<b>Balance at December 31, 2006</b>	<b>45,579</b>	<b>14,837</b>	<b>(12,362)</b>	<b>48,054</b>
Surplus for year 2007 being total recognised income and expenses	-	-	15,067	15,067
<b>Balance at December 31, 2007</b>	<b>45,579</b>	<b>14,837</b>	<b>2,705</b>	<b>63,121</b>
<b>Changes in reserves for 2008</b>				
Surplus for year 2008 being total recognised income and expenses	-	-	4,093	4,093
<b>Balance at December 31, 2008</b>	<b>45,579</b>	<b>14,837</b>	<b>6,798</b>	<b>67,214</b>

The notes on the accompanying pages 7 to 22 form an integral part of these financial statements.



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
<b>Cash flows from operating activities:</b>		
Surplus for the year before tax	3,967	15,571
Adjustments for:		
Interest income	(1,916)	(1,765)
Depreciation and impairment (Note 5)	1,908	654
	<u>3,959</u>	<u>14,460</u>
Decrease in membership dues and other receivables	7,172	3,209
Decrease in payables and accruals	(2,207)	(2,075)
Decrease in owing to members	-	(6,229)
<b>Net cash provided by operating activities</b>	<b><u>8,924</u></b>	<b><u>9,365</u></b>
<b>Cash flows from investing activities:</b>		
Purchase of equipment (Note 5)	(1,282)	(689)
Interest received (net of withholding tax) (Note 16b)	1,474	1,310
<b>Net cash provided by investing activities</b>	<b><u>192</u></b>	<b><u>621</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>9,116</u></b>	<b><u>9,986</u></b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>54,033</u></b>	<b><u>44,047</u></b>
<b>Cash and cash equivalents at end of year (Note 8)</b>	<b><u>63,149</u></b>	<b><u>54,033</u></b>

The notes on the accompanying pages 7 to 22 form an integral part of these financial statements.



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**

**THE CARIBBEAN**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2008**

**1. IDENTIFICATION AND ACTIVITIES**

The Institute of Chartered Accountants of the Caribbean (the Institute) was incorporated on October 28, 1988, under the Laws of Jamaica as a company limited by guarantee and not having a share capital. The registered office of the Institute is located at 6 Lockett Avenue, Kingston 4, Jamaica.

The membership of the Institute comprises the following member institutes from the Caribbean and affiliated institutes from Non-Caribbean territories:

**Members**

The Bahamas Institute of Chartered Accountants  
The Institute of Chartered Accountants of Barbados  
The Institute of Chartered Accountants of Belize  
The Institute of Chartered Accountants of Guyana  
The Institute of Chartered Accountants of Jamaica  
The Institute of Chartered Accountants of the Eastern Caribbean  
The Institute of Chartered Accountants of Trinidad & Tobago

**Affiliates**

The Association of Chartered Certified Accountants  
The Certified General Accountants Association of Canada  
The Institute of Chartered Accountants in England and Wales  
The American Institute of Certified Public Accountants

The principal objectives of the Institute are:

- (1) To promote, foster and maintain a respectable image of the accountancy profession, establish professional levels of competence, character and integrity and to promote the highest standards of ethical conduct within the region's accountancy profession in order to serve the public's interest.
- (2) To promote the harmonisation of regional accounting and auditing standards as well as company law and taxation legislations among member territories.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These have been consistently applied for all the years presented:

- (a) Basis of preparation

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The measurement bases are more fully described in the accounting policies below.



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(b) Critical judgements and sources of estimation uncertainty

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates and assumptions are continually evaluated and are based on historical experience and management's best knowledge of current events and actions and expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the Institute's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Depreciation of equipment

Depreciation is provided so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown below in policy in Note 2(c).

(ii) Taxation

The Institute is required to estimate income tax payable to the Commissioner of Taxpayer Audit and Assessment on any surplus derived from operations. (Note 16). This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included in the balance sheet. Deferred tax assets and liabilities are measured using the enacted tax rate at balance sheet date.

If the tax eventually payable or recoverable differs from the amounts originally estimated then the difference will be accounted for in the accounts in the year such determination is made.

(c) Equipment

(i) Equipment is stated at cost less accumulated depreciation.

(ii) Depreciation is provided on the straight line basis at such rates as will write off the cost of various assets over the period of their expected useful lives. The useful life approximates to ten (10) years for equipment.

(iii) The cost of repairs and renewals, which do not increase the expected lives of assets or enhance their carrying amount, is charged to the income statement when incurred.

(iv) Gains or losses on disposal of equipment are included in the income statement, when they arise.



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) Foreign currency

(i) Functional and presentation currency

The currency of Jamaica is the Jamaican Dollar. However, the Institute uses the United States Dollar as its functional currency in order to facilitate measurement and recording of balances and transactions with its members, who do not share a common currency. The Institute has obtained permission from the Minister of Finance to prepare and present its financial statements in United States Dollars.

Except where otherwise stated, these financial statements are expressed in United States Dollars.

(ii) Transactions and balances

Jamaican Dollar transactions and balances at the end of the year have been converted to United States Dollars on the following bases:

Equipment	-	Exchange rate ruling at date of transaction.
Current assets and liabilities	-	Exchange rate ruling at balance sheet date.
Income and expenses	-	Exchange rate ruling at transaction date.

Gains or losses due to fluctuations in exchange rates are included in the income statement.

(e) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets and financial liabilities are recognised in the Institute's balance sheet when it becomes a party to the contractual provisions of the instruments.

The financial instruments carried in the balance sheet are:

Financial assets:

Membership dues and other receivables and cash and cash equivalents;

Financial liabilities:

Payables and accruals and owing to members.

The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

(f) Membership dues and other receivables

Membership dues and other receivables are classified as loans and receivables. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost using the effective interest rate less provision for doubtful debts. A provision for doubtful debt is recognised when there is an indication that the debt is impaired.



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(g) Cash and cash equivalents

Cash and cash equivalents are classified as loans and receivables and consist of cash on hand, current and savings account balances and highly liquid, short-term deposits with maturity dates of one (1) month, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Payables and accruals

Payables and accruals are classified as financial liabilities measured at amortised cost. These are initially recognised at original invoice amounts (which represent fair value) and subsequently measured at amortised cost.

(i) Owing to members

Owing to members is classified as financial liabilities measured at amortised cost. These are initially recognised at original invoice amounts (which represent fair value) and subsequently measured at amortised cost.

(j) Development fund

Effective 2003, the Institute decided to transfer an amount representing twenty-five percent (25%) of its current year's surplus up to a maximum of US\$10,000 per year to a development fund. (Note 9). However, effective December 31, 2006 the directors decided to cease setting aside this amount.

(k) Administrative assistance development fund

Up to December 31, 2005, the Institute reserved an amount equal to fifty percent (50%) of its share of the surplus in excess of US\$5,000 realised from its annual conference. This was to be used to assist small territorial institutes in the development of the accountancy profession in their territories. (Note10). However, effective December 31, 2006 the directors decided to cease setting aside this amount.

(l) Revenue recognition

Revenue represents membership dues, income from conferences, seminars, advertising and income from short-term investments. Revenue is measured by reference to the fair value of consideration received or receivable and is accounted for in the year to which it relates.



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF**  
**THE CARIBBEAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(m) Income taxes

Income taxes comprise current tax and deferred tax.

Current tax is the expected tax payable on the non-exempt income for the year, using tax rates enacted at balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

(n) Impairment of equipment

At balance sheet date, the Institute reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of each asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Institute estimates the recoverable amount of the group of assets to which the asset belongs. The impairment loss is measured as the difference between the recoverable amount of the asset and its carrying amount. Any impairment loss is charged to the income statement immediately it arises.

**3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

(i) Amendments to published standards and interpretations effective in the current year that are relevant to the Institute's operations

IAS 39 (Amendment), Financial Instruments: Recognition and Measurement. The Amendment permits the reclassifications of financial assets classified as held-for-trading from the fair value through profit or loss category to another category in rare circumstances, or, if the financial assets meets the definition of loans and receivables at the date of reclassification.

Financial assets classified as available-for-sale may also be reclassified to loans and receivables if, at the date of reclassification, the financial assets would have been eligible for classification as loans and receivables.



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3. **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

- (i) Amendments to published standards and interpretations effective in the current year that are relevant to the Institute's operations (cont'd)

There were no reclassifications for the period as a result of this amendment.

IFRS 7 (Amendment), Financial Instruments: Disclosures. If an entity has reclassified a financial asset in accordance with the Amendment in IAS 39, it shall disclose the amount reclassified into and out of each category and the reason for the reclassification. Additional disclosures are required including details of the carrying amounts and fair values of the financial assets until they are derecognized, in addition to details of fair value gain or loss that would have been recognized in the entity's profit or loss or comprehensive income if the financial assets had not been reclassified.

The Institute has assessed the relevance of the other new standards, amendments and interpretations to existing standards which became effective for periods beginning January 1, 2008. Based on the Institute's operations, management has determined that these standards, amendments and interpretations do not impact its financial statements.

- (ii) Standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following standards, amendments and interpretations which have not been applied in these financial statements were in issue but not yet effective:

<u>Title</u>	<u>Full title of Standard or Interpretation</u>	<u>Effective for accounting periods beginning on or after</u>
IFRIC 13	Customer Loyalty Programmes	1 July 2008
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009
IFRIC 18	Transfers of Assets from Customers	1 July 2009
IFRS 2	Share-based Payment	1 January 2009
IFRS 3	Business Combinations	1 July 2009
IFRS 8	Operating Segments	1 January 2009



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3. **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

(ii) Standards, amendments and interpretations issued but not yet effective (cont'd)

<u>Title</u>	<u>Full title of Standard or Interpretation</u>	<u>Effective for accounting periods beginning on or after</u>
IAS 1	Presentation of Financial Statements	1 January 2009
IAS 23	Borrowing Costs	1 January 2009
IAS 27	Consolidated and Separate Financial Statements	1 July 2009
IAS 28	Investments in Associates	1 July 2009
IAS 31	Interest in Joint Ventures	1 July 2009
IAS 32	Financial Instruments: Presentation	1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement	1 July 2009

Based on the Institute's current operations, the directors and management do not expect any material impact on the Institute's financial statements when these standards, amendments and interpretations become effective.

**Annual Improvements 2008**

The IASB has issued *Improvements for International Financial Reporting Standards 2008*. Most of these are small amendments which become effective in accounting periods beginning on or after January 1, 2009. However, these amendments are not expected to have a material impact on the Institute's financial statements.

4. **FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES**

(i) Financial assets by categories

The categories of financial assets included in the balance sheet are as follows:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Loans and receivables (including cash and cash equivalents) (Notes 7 & 8)	66,179	64,376
<b>Total</b>	<b>66,179</b>	<b>64,376</b>

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4. **FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES (CONT'D)**

(ii) Financial liabilities by categories

The categories of financial liabilities included in the balance sheet are as follows:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Financial liabilities measured at amortised cost		
Payables and accruals (Note 11)	7,811	10,018
Owing to members (Note 12)	998	998
<b>Total</b>	<b>8,809</b>	<b>11,016</b>

5. **EQUIPMENT COMPRISE:**

	<u>Equipment</u> <u>US\$</u>
Gross carrying amount	18,074
Accumulated depreciation	(13,088)
<b>Carrying amount at December 31, 2006</b>	<b>4,986</b>
Gross carrying amount	18,763
Accumulated depreciation	(13,742)
<b>Carrying amount at December 31, 2007</b>	<b>5,021</b>
Gross carrying amount	17,282
Accumulated depreciation and impairment	(12,887)
<b>Carrying amount at December 31, 2008</b>	<b>4,395</b>



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5. **EQUIPMENT COMPRISE (CONT'D):**

The carrying amounts for equipment for the years included in these financial statements as at December 31, 2008 are reconciled as follows:

	<u>Equipment</u> <u>US\$</u>
<b>Carrying amount at December 31, 2006</b>	<b>4,986</b>
Addition	689
Depreciation	(654)
<hr/>	
<b>Carrying amount at December 31, 2007</b>	<b>5,021</b>
Addition	1,282
Depreciation and impairment	(1,908)
<hr/>	
<b>Carrying amount at December 31, 2008</b>	<b>4,395</b>
<hr/>	

6. **DEFERRED TAX ASSET/(LIABILITY)**

Deferred taxes are calculated on all temporary differences under the liability method using a tax rate of 33 $\frac{1}{3}$ %. The movement on the deferred tax account is as follows:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Balance at beginning of year	(195)	215
Taxation credit/(charge) for the year (Note 16a (i))	200	(410)
<hr/>		
<b>Balance at end of year</b>	<b>5</b>	<b>(195)</b>
<hr/>		

Deferred tax balance arose on temporary differences in respect of:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Deferred tax asset on:		
Equipment	17	-
<hr/>		
	17	-
<hr/>		
Deferred tax liability on:		
Equipment	-	(167)
Interest receivable	(12)	(28)
<hr/>		
	(12)	(195)
<hr/>		
<b>Net deferred tax asset/(liability)</b>	<b>5</b>	<b>(195)</b>
<hr/>		



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**7. MEMBERSHIP DUES AND OTHER RECEIVABLES**

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Due from members:		
Membership dues	-	6,005
Seminar and other receivables	-	167
Interest	36	85
Other	2,994	4,086
<b>Total membership dues and other receivables</b>	<b>3,030</b>	<b>10,343</b>
Prepayment	211	119
<b>Total</b>	<b>3,241</b>	<b>10,462</b>

All membership dues and other receivables are short-term and the carrying value is considered a reasonable approximation of fair value.

Membership dues past due at reporting date are as follows:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
More than six (6) months but not more than one (1) year	-	2,328
More than one (1) year	-	3,677
<b>Total</b>	<b>-</b>	<b>6,005</b>

The above membership dues, while past due, were not considered impaired at reporting date, as all outstanding amounts were subsequently collected.

**8. CASH AND CASH EQUIVALENTS**

	<u>Interest rate</u> <u>% p. a.</u>	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Short-term deposit:			
Pan Caribbean Merchant Bank Limited US\$ Certificate of Deposit	4.35	43,499	45,941
		<b>43,499</b>	<b>45,941</b>
Bank and cash:			
J\$ Current account balance with RBTT Bank Jamaica Limited J\$359,512 (2007 – J\$73,890)	1 – 2.5	4,693	1,038
US\$ Savings account balance with RBTT Bank Jamaica Limited	2.5	14,930	6,959
Cash in hand		27	95
		<b>19,650</b>	<b>8,092</b>
<b>Total</b>		<b>63,149</b>	<b>54,033</b>



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9. **DEVELOPMENT FUND**

The above represents net amounts reserved by the Institute to meet costs associated with the development of the accounting profession in the Caribbean. (Note 2(j)).

10. **ADMINISTRATIVE ASSISTANCE DEVELOPMENT FUND**

The above represents amounts reserved by the Institute to assist small territorial institutes in the development of the accountancy profession in their territories. (Note 2(k)).

11. **PAYABLES AND ACCRUALS**

	<u>2008</u>	<u>2007</u>
	<u>US\$</u>	<u>US\$</u>
Professional fees	-	5,000
Statutory payroll liabilities	3,017	1,667
Auditors' honorarium	1,500	3,000
Utilities	448	322
Other	2,846	29
<b>Total</b>	<b>7,811</b>	<b>10,018</b>

All amounts are short-term and the carrying value is considered a reasonable approximation of fair value.

12. **OWING TO MEMBERS**

	<u>2008</u>	<u>2007</u>
	<u>US\$</u>	<u>US\$</u>
Membership dues prepaid	592	592
Share of profit from joint seminar overpaid	212	212
Advertisements for annual caribbean conference overpaid	194	194
<b>Total</b>	<b>998</b>	<b>998</b>

All amounts are short-term and the carrying value is considered a reasonable approximation of fair value.



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13. **OTHER INCOME**

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Advertising - newsletter and website	8,137	2,330
<b>Total</b>	<b>8,137</b>	<b>2,330</b>

14. **EXPENSES BY NATURE**

Total administrative and other operating expenses:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Depreciation and impairment	1,908	654
Insurance	201	207
Postage and delivery	920	665
Loss on foreign exchange	1,155	682
Rent and maintenance	4,334	4,369
Printing and stationery	5,473	1,546
Annual conference and seminars	5,943	3,604
Board meetings and retreats	18,526	6,373
Utilities	4,744	3,505
Travelling and entertainment	2,744	3,427
Honorarium to auditors	1,500	1,000
Employee benefits (Note 17)	44,299	37,235
Other expenses	2,542	2,716
<b>Total</b>	<b>94,289</b>	<b>65,983</b>

15. **SURPLUS FOR THE YEAR BEFORE TAX**

Surplus for the year before tax is stated after charging/(crediting):

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Key management compensation (Note 17)	28,417	30,514
Depreciation and impairment	1,908	654
Honorarium to auditors	1,500	1,000
Loss on foreign exchange	1,155	682
Interest income	(1,916)	(1,765)



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## 16. INCOME TAX

- (a) The Institute is limited by guarantee and it is usual for such Institutes to be exempt from income tax under the mutuality principle in respect of income derived from transactions with members.

Provision has therefore been made in these financial statements for tax liability under the mutuality principle.

- (i) Income tax was computed at the rate of 33 $\frac{1}{3}$ % on non-exempt income, adjusted for tax purposes and comprises:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Current tax charge	(74)	(94)
Deferred tax income/(charge):		
Origination and reversal of temporary differences	200	(410)
<b>Income tax credit/(charge) for the year (Note 16a (ii))</b>	<b>126</b>	<b>(504)</b>

- (ii) Reconciliation of theoretical tax charge to effective tax charge using the tax rate applicable in Jamaica. (Note 2(m)).

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
<b>Surplus for the year before tax</b>	<b>3,967</b>	<b>15,571</b>
Tax at the applicable rate of 33 $\frac{1}{3}$ %	(1,322)	(5,190)
Tax effect of expenses not deductible for tax purposes	(30,359)	(20,901)
Tax effect of income not chargeable to tax	31,630	25,826
Tax effect of tax losses utilised	-	147
Tax effect of other allowances and charges	177	(386)
<b>Income tax credit/(charge) for the year (Note 16a (ii))</b>	<b>126</b>	<b>(504)</b>

- (b) During the year the Institute suffered withholding tax at source of US\$491 (2007 – US\$436) on interest income earned on its short-term deposits.



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17. **EMPLOYEE BENEFITS**

Employee benefits comprise:

	<u>2008</u> <u>US\$</u>	<u>2007</u> <u>US\$</u>
Salaries - current year	41,931	36,152
- prior years	-	(3,123)
Medical and other benefits	2,368	4,206
<b>Total</b>	<b>44,299</b>	<b>37,235</b>

Included in staff costs is key management compensation amounting to US\$28,417 (2007 – US\$30,514). (Note 15).

18. **RELATED PARTY TRANSACTIONS**

The members of the Board of Directors are volunteers. No member of the Board has received payment in respect of services to the Institute, other than by way of reimbursement or payment of expenses incurred in providing such services.

19. **RISK MANAGEMENT POLICIES**

The Institute's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Institute seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Institute is exposed to currency risk due to fluctuation in exchange rates on balances that are denominated in currencies other than United States dollars. For transactions denominated in Jamaican dollars (J\$) the Institute however, maintains a J\$ bank account in an attempt to minimise this risk.



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19. **RISK MANAGEMENT POLICIES (CONT'D)**

(ii) Currency risk (cont'd)

At balance sheet date there were net assets/(liabilities) of approximately J\$69,076 (2007 - J\$64,895) which were subject to foreign exchange rate changes as follows:

**Concentrations of currency risk**

	<u>2008</u> J\$	<u>2007</u> J\$
Financial assets		
- Cash and cash equivalents	359,512	73,890
Financial liabilities		
- Payables and accruals	(290,436)	(138,785)
<b>Net assets/(liabilities)</b>	<b>69,076</b>	<b>(64,895)</b>

The above assets/liabilities are receivable/payable in Jamaican dollars (J\$). The exchange rate applicable at balance sheet date is J\$76.61 to US\$1 (2007 – J\$71.19 to US\$1).

**Foreign currency sensitivity**

Due to the nature and size of the Institute's operations and the very short-term nature of balances denominated in Jamaican dollars there would be no significant impact on the results of the Institute's operations as a result of changes in foreign currency rates.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Institute's cash and cash equivalents are subject to interest rate risk. However, the Institute attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The Institute invests excess cash in short-term deposits and maintains interest-earning bank accounts with licensed financial institutions. Short-term deposits are invested for one-month periods at fixed interest rates and are not affected by fluctuations in market interest rates up to the date of maturity. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates. (Note 8).

**Interest rate sensitivity**

Due to the fact that interest rate on the Institute's short-term deposit is fixed up to maturity and interest earned from the Institute's interest-earning bank accounts is immaterial, there would be no material impact on the results of the Institute's operations as a result of fluctuations in interest rates.



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19. **RISK MANAGEMENT POLICIES (CONT'D)**

(a) Market risk (Cont'd)

(iii) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Institute's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

(b) Credit risk

The Institute faces credit risk in respect of its receivables and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the Institute. In addition, cash and cash equivalents are maintained with licensed financial institutions considered to be stable. The maximum credit risk faced by the Institute is the total of these balances reflected in the financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting its commitments associated with financial liabilities.

The Institute manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The Institute maintains cash and short-term deposits for up to 30-day periods to meet its liquidity requirements.

The Institute's financial liabilities comprise payable and accruals and owing to members. These amounts, because of their short-term nature are due within three (3) months after balance sheet date.

20. **CAPITAL MANAGEMENT**

The Institute considers its capital to be its accumulated surplus and its funds. The Board of Directors' financial objective is to generate a targeted operating surplus, in order to strengthen the balance sheet and provide for the future continuity of the Institute, taking into account the various competitive risks. The Institute's Principal Officers review the financial position of the Institute at regular Principal Officers' meeting held.

The Institute is not subject to externally imposed capital requirements.



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