

The Bahamas Institute Of Chartered Accountants (BICA)



Annual Report 2008/2009 Upholding Integrity, Striving for Excellence

P.O. BOX N-7037
NASSAU, BAHAMAS
PHONE: (242) 326-6619 FAX: (242) 326-6618
EMAIL: SECBICA@BATELNET.BS WEBSITE: WWW.BICA.BS



2008/2009 BICA COUNCIL



Kasynti Bodie, new member, receives her Membership Certificate from Daniel Ferguson, President and Ronald Knowles, 1st Vice President



*Edmund Rahming, Jr.
Member & Guest Speaker*



Continuing Professional Education Seminar

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OBJECTIVES OF THE INSTITUTE

- To govern the discipline, and regulate the professional conduct of members, associates and students;
- To promote the best standards of practice in financial reporting and in the expression of professional opinions in relation thereto;
- To promote and protect the welfare and interest of the Institute and the accounting profession;
- To promote and increase the knowledge, skill and proficiency of members, associates and students in all things relating to the business or profession of accountants;
- To make provision for the training, education and examination of persons engaging in or intending to engage in the accounting profession;
- To provide information on accounting by way of lectures, discussions, and the dissemination of literature and correspondence;
- To establish standards of qualifications for and to regulate the professional conduct of public accountants who are not entitled to be registered as members;
- To do all such things as are incidental to the aforesaid objectives or as the Institute may think conducive to the attainment of those objectives or any of them.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of The Bahamas Institute of Chartered Accountants will be held at British Colonial Hilton Hotel, Bay Street, Nassau, Bahamas at Twelve Thirty on Tuesday, July 7th, 2009.

AGENDA:

1. Adoption of Minutes of the Seventeenth Annual General Meeting held on July 9th, 2008.
2. Matters arising from the Minutes of the Annual General Meeting held on July 9th, 2008.
3. Presentation of the Report of the President and the Council
4. Presentation of the Treasurer's Report
5. Presentation of the Auditors' Report and the Financial Statements for the year ending December 31st, 2008
6. Appointment of Auditors for the year ending December 31, 2009
7. Election of members of Council
8. Any other business

By Order of the Council

Roslyn Minnis
Secretary

June 3rd, 2009

NOTICE:

- 1. A member entitled to attend and vote at the above referenced meeting is entitled to appoint a proxy, who must be a member of the Institute, to attend and, on a poll, to vote in his place. To be effective, the instrument appointing a proxy must be received by the Secretary of the Institute not later than Friday, July 3rd, 2009 (proxy form enclosed).*
- 2. A member who lodges a form of proxy will not thereby be debarred from attending and voting in person at the meeting if, in the event, he/she is able to be present.*
- 3. Notice and details of items to be discussed under any other business should be forwarded to the Secretary of the Institute not later than Friday, July 3rd, 2009.*





GENERAL INFORMATION

The 17th Annual General Meeting of the Bahamas Institute of Chartered Accountants was held on July 16th 2008. The following persons were elected to the Council:

Daniel Ferguson	President
Ronald Knowles	1st Vice President
Philip C. Galanis	2nd Vice President
Nicolette Gardiner	Treasurer
Roslyn Minnis	Secretary
Reece D. Chipman	Council Member
Pedro Delaney	Council Member
Lambert Longley	Council Member
Peter Turnquest	Council Member – Grand Bahama

ATTENDANCE AT MEETINGS OF COUNCIL UP TO MAY 31ST, 2009:

Daniel Ferguson	8/8	President
Ronald Knowles	5/8	1st Vice President
Philip C. Galanis	5/8	2nd Vice President
Nicolette Gardiner	5/8	Treasurer
Roslyn Minnis	8/8	Secretary
Reece D. Chipman	7/8	Council Member
Pedro Delaney	5/8	Council Member
Lambert Longley	5/8	Council Member
Peter Turnquest	2/8	Council Member – Grand Bahama



PRESIDENT'S REPORT

PRESIDENT DANIEL H. FERGUSON



Dear Member:

I am pleased to report that The Bahamas Institute of Chartered Accounts (BICA) has had both a very busy and a very productive year.

This year, the Council again established some very ambitious goals in order to further the purposes for which BICA was established. These goals incorporated some of the projects and plans initiated during the last administration as well as some new ones set during the year under review. I am pleased to report that the entire Council worked hard and enthusiastically to accomplish these goals. However, as the year progressed, it became increasingly clear that in order to affect some major initiatives either the administrative term for Council has to extend beyond one year or some other measure to maintain continuity of Council personnel between administrations should be explored. A case in point is the group medical insurance plan which we embarked upon in 2007 and continued during the course of this reporting year. The time from initial idea, through development to impending implementation has extended beyond one year.

I am proud to report that in May, 2009 the Council expanded the administrative staff in BICA's secretariat with the addition of a junior administrative assistant for our office administrator. During the course of the year it had become obvious that Council members required additional administrative support for their committee responsibilities and our office administrator and the Council required additional assistance in order to serve the membership more effectively.

The legislative reforms which were approved by the membership last year were submitted to the Attorney General's Office during the year. The next step in the process is for these amendments to be tabled in Parliament to be enacted into law.

Over the past two years we re-established BICA's relationship with The Institute of Chartered Accountants of the Caribbean (ICAC), the regional accounting body of which BICA is a founding member. Since then, we have maintained a very active involvement within ICAC by attending and participating in ICAC's board meetings and conferences.



During the year 2nd Vice President, Philip Galanis, and I attended ICAC board meetings in Barbados and Guyana. On 25 February, 2009 BICA's Council participated in a teleconference with ICAC's president, Angela Lee Loy and discussed various issues of mutual interest. ICAC's 27th Annual Conference with the theme Reflection for the Future will be held in Georgetown, Guyana during 25th – 27th June, 2009. Philip Galanis, 1st Vice President, Ronald Knowles and I are scheduled to attend as BICA's representatives. As expected, the major focus of the conference will be the current global financial crisis. By the end of the reporting year, BICA will have signed two important accords with ICAC. One will be the Affiliation Agreement and the other will be our agreement to participate in the Peer Review programme. Our sustained membership in ICAC allows BICA more interactions with accounting institutes in the Caribbean region and affords us more prominent representation in the global accounting profession.

I am pleased to report that the group medical insurance plan for BICA is progressing well. This will be a permanent medical plan for our members and will not be attached to any specific employment. Members have responded to the initiative in encouraging numbers. It is hoped that the plan will be up and operational as early as this summer so that members can begin having the benefit of it.

In the past, certificates of membership and licenses were mailed to members. During the last two years new members and new licensees were welcomed, recognized and presented with certificates and licenses during Continuing Professional Education seminars. This process has become the established Rite of Passage.

Accountants Week was very exciting and had taken on a whole new vitality. We were deeply gratified by the large numbers in attendance and by the enthusiastic participation and interactions of the members. The final day which ended with a cocktail reception was very successful especially with the entertainment provided by our fellow accountant, Kenyon MacDonald (Ancient Man). The attempted simulcast to Grand Bahama for the Technical Update experienced some technical difficulties, however we are pleased to report that the presenting accountants from Grant Thornton traveled to Grand Bahama at the beginning of June, 2009 and made their presentation.

During the year we continued to actively engage our members, other professional organisations, the government, local businesses and the general community in order to strengthen these key relationships and position BICA to not only capture, but create attractive opportunities for our members in an ever expanding and dynamic global marketplace.

In order to maintain our position in the financial environment and decision making process of the country, BICA continues to maintain close relationships and affiliations with government financial institutions including The Ministry of Finance, The Compliance Commission, The Central Bank of the Bahamas and the Bahamas Financial Services Board.



The accounting profession was sought out to assist with the current challenges brought about by the worldwide financial crises. To this end BICA extended its arm to assist small businesses which cannot afford professional accounting services.

We encourage Members of BICA to embrace and avail themselves of the many areas of the accounting profession which may have been foreign or out of reach to them. There has to be more diversified approaches and members should have absolute confidence that upon being issued a license by BICA they are duly prepared to perform all accounting engagements.

2010 should be another exciting year for us as BICA will host the 2010 ICAC annual conference. Plans have already commenced to insure that this is one of the most successful ICAC conferences and also to demonstrate our world-famous Bahamian hospitality.

The Council and I are very excited by the possibilities that exist for BICA to grow and evolve into the kind of organisation we have all envisioned. Together the Council and the membership can propel our remarkable organisation into the regional and global entity that provides benefits for our profession and our country.

Finally I wish to extend my sincere appreciation to my Council and the administrative staff for their confidence and support during the past year. I also wish to thank the general membership for the opportunity to have served as president of our institute for two terms. May God continue to bless you and our organization.

Daniel H. Ferguson

A handwritten signature in black ink, appearing to read 'Daniel H. Ferguson', written over a horizontal line.

President



REPORT OF COUNCIL – 2008/2009

To the 18th Legislative Annual General Meeting of The Bahamas Institute of Chartered Accountants, as required under the Public Accountants' Act, 1991

Member Services

Committee Chair:
Reece Chipman

Committee Members:
Sheldon Cartwright
Stacia Major
Pamela Miller
Roshan Noronha

Approval for membership in the Institute is done in accordance with the Public Accountants Act 1991, section 9, and the Public Accountants Regulations, 1992, sections 3 and 4.

During the current year, the Membership Committee concentrated on response time to membership applications, as well as adequately and effectively communicating with new members.

The institute presently has 559 members split between 316 males and 243 females. Members represent various qualifying institutes, including, ACCA, AICPA, CGA, CICA, ICAEW, ICAI, and ICATT.

Our new membership for the period 2007-2009

Year 2007 - 26 new members
Year 2008 - 13 new members
Year 2009 - 20 new members

Our list of New Members for 2009 period are as follows:

Kasynthi Bodie
Angela Butler
Gingha Conlan
Andrew P Davies
Alexandrea Gatis-Davis
Bertram Dorsette
Darius E. Ferguson
Renaldo Harding
Mark Hardy
Ron Arthur Hepburn
Charmaine Hutchinson

Westra Aria Knowles
Paul D. Lewis
Kristeen K. Major
Ruth Rosalie Millar
Shanika Pearson
Edmund L. Rahming Jr.
Eunice P. Sands
Alvord A. Smith
Talia Sweeting



CPE Committee Report

CPE continues to be a profit centre for the Institute, however, the net profit from seminars has been reduced in the year 2008 due to increased cost of hosting the seminars with no increases in charges to members for those seminars.

Turnout during the latter half of 2008 was good as it was a reporting year and members needed to ensure that they had the requisite hours. A seminar was held in December 2008 to assist those members who still required hours to be compliant.

As always "Accountant's Week" is the time when we have the best turnout to our seminars and 2008 was no exception. The 2008 week was opened by His Excellency Arthur D. Hanna, Governor General of The Bahamas. His reflections on the past challenges of Bahamians were enlightening for the members present. The week progressed well with only one presenter pulling out at the last minute, however advantage was taken by the Committee to use the time to have a frank exchange with the members present as to their CPE needs and what could be done by the Committee to meet those needs. The most important issue raised was that of communication as it is felt that the Institute is not effectively communicating with its members. A promise was made to the assembled members that the Institute would be making the changes necessary to ensure that communication with members would be improved.

Technical update was planned as a Simulcast with Freeport but due to problems with Cable Bahamas this had to be abandoned. The Simulcast was reset for the December seminar but again had to be abandoned due to technical difficulties. The technical update was eventually given to the Freeport members on May 29, 2009.

Two seminars have been presented so far in 2009. One was held in April and one in May but they were not well attended as we continue to have difficulties with our mass mailing to members. This is an issue which the new committee will have to focus on to ensure that we meet the needs of our members.

The feedback from our members on the relevancy and quality of the subjects covered and the caliber of our presenters has been generally very positive.

To ensure that our members can better plan for CPE a CPE timetable was devised to allow our members to diarize dates for CPE in advance. In addition to Accountants Week, which is always the second week of November, seminars will be held on the third Wednesday of the following months:

- September
- October
- December
- March
- April
- May

No seminars are planned for January or February as our members are very busy at this time, June is not included as this is the usual time for the AGM and July and August are excluded as this is the time that most members are on holiday.



Public Practice

Committee Chair: Pedro Delancy

The Public Practice Committee approved ten (10) Licenses for the year under review.

Approved Licensees are:

Elwood H. Bonimy
Frederica Cartwright
Sunditta Chopra
Anishka T. Collie
Andrew P. Davies

Chandrice P.J. Ferguson
Odetta Grant
Niekia W. Horton
Melissa Rolle
Deann Seymour

Student Education

The Institute fulfilled year 3 of its commitment under the Memorandum of Understanding with The College of the Bahamas. A plaque and cheque were presented to the outstanding student that majored in Accounting and a Scholarship was awarded to a fourth year student.

We express our appreciation to members for their generous donations.

TREASURER'S REPORT



Dear Members,

We have come to the end of another fiscal year and I wish to sincerely thank the Members for their continued support of the Institute. It has been a difficult year for all due to the current global economic climate and that is reflective in the financial results this past year.

In spite of this, we had a successful Accountants Week with a profit of approximately \$14,000. Membership and Licence fees have increase by 18% (\$17,217) and those fees are now received on a cash only basis. Overall income revenues, however, have declined this year and it is mainly due to a decrease in Continuing Professional Education (CPE) revenues during the year. In 2008, BICA CPE seminars experienced a smaller attendance by Members compared to those held in 2007 which were more profitable; this no doubt affected the bottom line. In addition there were two seminars which were non-income producing. The first being an invitation to the BICA membership to participate in the Economic Partnership Agreement discussions that was absorbed solely by the Institute and the second being the first call of the Annual General Meeting where expenses were incurred but few Members attended and the meeting had to be held a second time.

During this fiscal year we received an excellent response to the Membership and Licence fees renewal and this resulted in cash flows of over \$93,000 in revenues. This in itself demonstrates your commitment to the Institute. Website revenues are down due to the site being out of order for the most part of the year and the increase in travel expenses is due to travel by the President and the Vice President to the various ICAC Board Meetings held throughout the year in the Caribbean.

The Institute continues to experience a healthy cash position and we appreciate your suggestions on ways to invest these funds. Our annual scholarship donations to students at the College of The Bahamas have been consistent this year and the Institute is searching for others mean to assist in the development our young people.

I wish to thank the President, Council Members and Mr. Sean Bain for their support and a special thanks to Mrs. Butler at the Secretariat for her hard work and dedication during the past year. I thank the membership for allowing me to serve in this important role.

Yours truly,

*Nicolette C. Gardiner
Treasurer & Registrar*

**THE BAHAMAS INSTITUTE OF
CHARTERED ACCOUNTANTS**

FINANCIAL STATEMENTS
For the Year Ended December 31, 2008

JAMES B. GOMEZ & CO.

CHARTERED ACCOUNTANTS AND CONSULTANTS

*An independent member firm
of DFK International*



THE BAHAMAS INSTITUTE OF CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of
The Bahamas Institute of Chartered Accountants

We have audited the accompanying financial statements of The Bahamas Institute of Chartered Accountants ("the Institute") as at December 31, 2008 and the related statements of income and accumulated fund, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Managements' 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. 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 whether the financial statements are free from material misstatement.

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

INDEPENDENT AUDITORS' REPORT *(Cont'd)*

To the Members of
The Bahamas Institute of Chartered Accountants

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

Our Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Bahamas Institute of Chartered Accountants as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

James B. Gony & Co.

CHARTERED ACCOUNTANTS

May 13, 2009
Nassau, Bahamas

THE BAHAMAS INSTITUTE OF CHARTERED ACCOUNTANTS
BALANCE SHEET
AS AT DECEMBER 31, 2008
(Expressed in Bahamian dollars)

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 65,026	\$ 74,255
Deposits with financial institutions (Note 3)	122,622	117,989
Accounts receivable (Note 4)	8,350	3,800
Other assets (Note 5)	8,230	8,230
Total current assets	204,228	204,274
FIXED ASSETS (Note 6)	2,074	3,079
TOTAL	\$ 206,302	\$ 207,353

LIABILITIES AND ACCUMULATED FUND

LIABILITIES

Accounts payable and accrued expenses	\$ 7,268	\$ 14,633
Scholarship and building funds	7,615	5,915
Total liabilities	14,883	20,548

ACCUMULATED FUND

Accumulated fund	191,419	186,805
Total accumulated fund	191,419	186,805
TOTAL	\$ 206,302	\$ 207,353

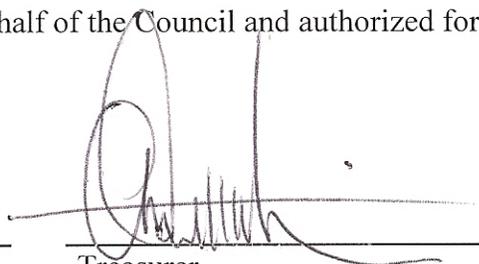
See notes to financial statements.

These financial statements are approved on behalf of the Council and authorized for issue on

May 13, 2009, and signed on its behalf by:



 President



 Treasurer

**THE BAHAMAS INSTITUTE OF CHARTERED ACCOUNTANTS
STATEMENT OF INCOME AND ACCUMULATED FUND
FOR YEAR ENDED DECEMBER 31, 2008**

	2008	2007
REVENUE		
Continuing Professional Education (Note 7)	\$ 70,364	\$ 125,415
Annual membership fees and registration	55,493	62,000
Annual licence fees and licence registration	42,118	32,410
Interest income	5,553	3,727
Annual general meeting and luncheons	2,200	3,675
Web site advertising revenue	-	1,050
Total revenue	175,728	228,277
EXPENSES		
Continuing Professional Education (Note 7)	59,761	60,865
Salaries and employee benefits	37,947	60,611
Rent	22,080	20,400
Printing, postage, stationery and advertising	16,011	12,194
Travel and conferences	11,943	2,106
Subscription expense (Note 8)	7,225	8,865
Professional fees	3,500	8,450
Annual general meeting and luncheon costs	3,488	3,708
Telephone, facsimile and internet/website cost	2,906	2,610
Donations, awards and grants, other expenses	2,500	2,250
Depreciation	1,455	1,791
Miscellaneous	1,050	2,654
Council expense	930	445
Repairs and maintenance	180	944
Bank charges	138	98
Bad debt	-	13,366
Career fair	-	300
Total expenses	171,114	201,657
NET INCOME	4,614	26,620
ACCUMULATED FUND, BEGINNING OF YEAR	186,805	160,185
ACCUMULATED FUND, END OF YEAR	\$ 191,419	\$ 186,805

See notes to financial statements.

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

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 4,614	\$ 26,620
Adjustment for items not affecting cash:		
Depreciation	1,455	1,791
Interest income	(5,553)	(3,727)
	516	24,684
Changes in non-cash working capital items:		
(Increase)/decrease in accounts receivable	(4,550)	12,576
Increase in prepaid expenses and deposits	-	(1,800)
(Decrease)/increase in accounts payable and accrued liabilities	(7,365)	6,633
(Decrease)/increase in scholarship and building funds	(1,700)	3,270
Interest received	5,553	3,727
Net cash (used in)/provided by operating activities	(7,546)	49,090
CASH FLOWS FROM INVESTING ACTIVITY:		
Purchase of fixed assets	(450)	(424)
Net cash used in investing activity	(450)	(424)
NET (DECREASE)/INCREASE IN CASH	(7,996)	48,666
CASH BALANCE, BEGINNING OF YEAR	192,244	143,578
CASH BALANCE, END OF YEAR	\$ 184,248	\$ 192,244
CASH IS REPRESENTED BY:		
Cash in hand and at banks	\$ 65,026	\$ 74,255
Fixed deposits	122,622	117,989
Total cash and cash equivalents	\$ 187,648	\$ 192,244

See notes to financial statements.

THE BAHAMAS INSTITUTE OF CHARTERED ACCOUNTANTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. GENERAL

The Bahamas Institute of Chartered Accountants (“the Institute”) was incorporated under the laws of The Commonwealth of The Bahamas as a Institute limited by guarantee in 1971 and was continued by the Public Accountants Act, 1991, (“the Act”), which came into effect on December 15, 1991. Regulations to the Act provide for effecting its purpose and provisions. The Institute is a member of the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of the Caribbean (ICAC).

At December 31, 2008, the Institute’s principal place of business is located at Marlborough House, George Street, Nassau, Bahamas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) *Statement of compliance* – The Institute’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board.

b) *Basis of measurement* – These financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities that have been measured at fair value.

c) *Adoption of new and revised standards*

Certain standards, amendments to existing standards and interpretations have been published by the International Accounting Standards Board (IASB), the effect on the Institute’s financial statements and are set out below.

i) Adoption of IFRSs during the year:

There were no new standards, amendment to standards or interpretations, relevant to the Institute which was effective during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

c) *Adoption of new and revised standards (Cont'd):*

ii) Amendments to published standards not yet effective and not early adopted:

The following amendments to published standards (effective for annual periods beginning on or after January 1, 2009), which have been issued but are not yet effective, may be relevant to the Institute's operations.

- *IAS 1 (Revised), Presentation of financial statements* – The main objective in revising *IAS 1* was to aggregate information in the financial statements on the basis of shared characteristics. *IAS 1* will affect the presentation of owner changes in equity and of comprehensive income. It will not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRSs. *IAS 1* will require an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) will be required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income will not be permitted to be presented in the statement of changes in equity. The Institute will apply *IAS 1 (Revised)* from January 1, 2009.
- *IAS 23 (Amendment), Borrowing costs* – This amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is no longer available. The Institute will apply *IAS 23 (Amended)* from January 1, 2009, but it is not expected to immediately impact the Institute as there are no qualifying assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Cont'd)*

c) *Adoption of new and revised standards (Cont'd):*

iii) Standards, interpretations and amendments to published standards not yet effective and not relevant to the Institute's operations:

The Institute has concluded that the following standards, interpretations and amendments to existing standards, which are published but not yet effective (effective for annual periods beginning on or after January 1, 2009), are not relevant to its operations:

- IFRS 2 – Share-based Payments (Vesting conditions and cancellations)
- IFRS 3 – Business Combinations (Revision on applying the acquisition method)
- IFRS 8 – Operating Segments
- IAS 32 (Amendment) – Financial Instruments: Presentation (Puttable financial instruments and obligations arising on liquidation)
- IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after July 1, 2008)
- IFRIC 15 – Agreements for construction of real estates
- IFRIC 17 – Distributions of Non-cash Assets to Owners
- IFRIC 18 – Transfers of Assets from Customers

d) *Functional and presentation currency* - The financial statements are expressed in Bahamian dollars (“B\$”) which is the functional and presentational currency.

e) *Translation of foreign currencies* – The functional currency of the Institute is the Bahamian dollars. Assets and liabilities in currencies other than the Bahamian dollar are converted at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at rates of exchange prevailing at the date of the transaction. Gains and losses arising from translation are taken directly to the statement of income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- f) *Use of estimates and judgments* - The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.
- g) *Cash and cash equivalents* – Cash and cash equivalents represent cash in hand and bank current accounts.
- h) *Fixed assets* – Fixed assets are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly related to the acquisition of the asset. The cost of self constructed assets includes the cost of material and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent cost of replacing part of an item of fixed assets are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part flow to the Institute and its cost can be measured reliably. The costs of day-to-day servicing of fixed assets are recognized in the statement of income.

Depreciation is recognized in the income statement on the straight-line basis at rates estimated to write-off the relevant assets over their expected useful lives. The rates used are as follows:

Computer equipment	-	5 Years
Furniture, fixtures and equipment	-	3 to 5 Years
Leasehold improvements	-	3 Years

Fixed assets are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

- i) *Related parties* – Balances and transactions with council or members, and entities in which either the council or members have effective control or exercise significant influence in making financial and operating decisions are shown in these financial statements as being with related parties.
- j) *Income and expenses* – Income and expenses are recorded on the accrual basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- k) *Financial instruments* – A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity of another enterprise.

Financial Assets

The Council of the Institute classifies its financial assets as loans and receivables which include: *accounts receivable and other assets*. The classification depends on the purpose for which the financial assets were acquired. The Council of the Institute determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

- i) *Loans and receivables* – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are measured at cost, less any impairment, that the Institute does not intend to sell immediately or in the future.
- ii) *Impairment of financial assets* – Financial assets are assessed for indicators of impairment as follows:

Assets carried at cost – The Institute assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a “loss event”) and the loss event (or events) has an impact on the future cash flows of financial assets or group of financial assets that can be reliably estimated.

The criteria that the Institute uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments;
- Cash flow difficulties by the debtor; and
- Significant financial difficulty of the issuer or counterparty

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

k) *Financial instruments (Cont'd)*

Financial Assets (Cont'd)

ii) *Impairment of financial assets (Cont'd)*

The amount of impairment is the difference between the asset's carrying amount and the recoverable amount, being the expected cash flows.

When the accounts receivable is uncollectible, it is written off against the related provision for accounts receivable impairment. If, in the subsequent period, the amount of the impairment loss decreases due to an event occurring after the write-down, the release of the provision is credited to accounts receivable impairment in the statement of income.

Financial Liabilities

The Council of the Institute classifies its financial liabilities as other liabilities which include: *accounts payable and scholarship and building funds*. The Institute's financial liabilities are initially measured at fair value, plus transaction costs, and are subsequently remeasured at cost. The Institute determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

3. CASH AND CASH EQUIVALENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash and cash equivalents and deposits with financial institution comprise:

	Rate	2008	2007
<i>Cash and cash equivalents :</i>			
Scotiabank (Bahamas) Limited		\$ 9,948	\$ 7,467
Commonwealth Bank Limited	1.00%	54,978	66,688
Cash in hand		100	100
		65,026	74,255
<i>Deposits with financial institutions :</i>			
Fidelity Bank (Bahamas) Limited	3.50%	3,087	2,982
Fidelity Bank (Bahamas) Limited	3.75%	38,989	37,577
Commonwealth Bank Limited	3.25%	80,546	77,430
		122,622	117,989
		\$ 187,648	\$ 192,244

4. ACCOUNTS RECEIVABLE

	2008	2007
CPE Seminar Receivables	\$ 6,025	\$ 15,262
Sundry receivables	2,725	4,200
CPE Seminar receivables written off during the year	-	(15,262)
	8,750	4,200
Less: allowance for doubtful accounts	(400)	(400)
	\$ 8,350	\$ 3,800

Movements on the allowance for doubtful accounts are as follows:

	2008	2007
Balance, beginning of year	\$ 400	\$ 2,500
Accounts written off	-	(2,100)
Balance, end of year	\$ 400	\$ 400

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5. OTHER ASSETS

	2008	2007
Security deposits	\$ 6,430	\$ 6,430
Prepaid rent	1,800	1,800
	\$ 8,230	\$ 8,230

6. FIXED ASSETS

Fixed assets are comprised of:

	Beginning Balance	Additions	Disposals	Ending Balance
<i>Cost:</i>				
Computer equipment	\$ 11,069	\$ -	\$ -	\$ 11,069
Furniture, fixtures and equipment	32,373	450	-	32,823
Leasehold improvements	5,371	-	-	5,371
	\$ 48,813	\$ 450	\$ -	\$ 49,263

	Beginning Balance	Additions	Disposals	Ending Balance
<i>Accumulated depreciation:</i>				
Computer equipment	\$ 7,990	\$ 1,380	\$ -	\$ 9,370
Furniture, fixtures and equipment	32,373	75	-	32,448
Leasehold improvements	5,371	-	-	5,371
	\$ 45,734	\$ 1,455	\$ -	\$ 47,189
2008 Net Movement	\$ 3,079	\$ (1,005)	\$ -	\$ 2,074
2007 Net Movement	\$ 4,446	\$ (1,367)	\$ -	\$ 3,079

During the year, the Institute purchased a fax machine costing \$450, which is being depreciated over three (3) years.

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7. CONTINUING PROFESSIONAL EDUCATION

Continuing professional education consists of the following:

	2008	2007
<u>Revenue:</u>		
Continuing Professional Education - Nassau	\$ 66,394	\$ 123,040
Continuing Professional Education - Freeport	3,970	2,375
	<u>\$ 70,364</u>	<u>\$ 125,415</u>
<u>Expenses:</u>		
Continuing Professional Education - Nassau	\$ 58,298	\$ 60,489
Continuing Professional Education - Freeport	1,463	376
	<u>\$ 59,761</u>	<u>\$ 60,865</u>

8. SUBSCRIPTION EXPENSE

Subscription expense consists of the following:

	2008	2007
ICAC Fees	\$ 5,760	\$ 6,612
IFAC fees	1,465	1,520
Bahamas Financial Services fees	-	733
	<u>\$ 7,225</u>	<u>\$ 8,865</u>

9. FINANCIAL RISK MANAGEMENT

In the course of business, the Institute incurs different types of risks. These include credit, liquidity and market risks, (including interest rate risk and other price risks).

The Council of the Institute has overall responsibility for the establishment and oversight of the Institute's risk management.

9.1. Credit risk

The Institute takes on exposure to credit risk, which is the risk that the counterparty to a financial instrument, will cause a financial loss for the Institute by failing to perform according to the terms of the contract. From this perspective, the Institute's significant exposure to credit risk is primarily concentrated in cash and deposits with financial institutions.

Cash and cash equivalents and deposits with financial institutions

The Institute is exposed to credit risk from cash at banks and deposits with financial institutions, and mitigate this risk by placing funds with reputable and high quality financial institutions.

Maximum exposure to credit risk

	Maximum exposure	
	2008	2007
Cash and deposits with financial institutions	\$ 187,548	\$ 192,144
Accounts receivable	8,350	3,800
Other assets	6,430	6,430
	\$ 202,328	\$ 202,374

The above table represents a worse case scenario of credit risk exposure.

FINANCIAL RISK MANAGEMENT (*Cont'd*)

9.2. **Liquidity risk**

Liquidity risk is the risk that the Institute is unable to meet its payment obligations associated with its financial liabilities, when they fall due.

9.2.1. ***Liquidity risk management process***

Primary responsibility for liquidity management rests with The Council, this responsibility includes:

- Day-to-day funding, managed by monitoring the future cash flows and cash balances to ensure that liquidity requirements are met;
- Maintaining a portfolio of high quality securities for which there are a broad active secondary market that can be liquidated through their sale without incurring any discounts; and
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements.

The Institute completes monthly reconciliations of cash balances and cash requirements. These reports are submitted to The Treasurer of the Institute for approval and control purposes, as these are the key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial, liabilities and the expected collection dates of the financial assets.

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9. FINANCIAL RISK MANAGEMENT (Cont'd)

9.2. Liquidity risk (Cont'd)

The table below represents the contractual maturities of undiscounted financial liabilities:

As at December 31, 2008

	Within 3 Months	3 to 12 Months	Over 5 Years	No Specific Maturity	Total
Assets:					
Cash and cash equivalents	\$ 64,926	\$ -	\$ -	\$ -	\$ 64,926
Deposits with financial institutions	-	122,622	-	-	122,622
Accounts receivable	8,350	-	-	-	8,350
Other assets	1,800	-	-	6,430	8,230
Total assets	75,076	122,622	-	6,430	204,128
Liabilities:					
Accounts payable	7,268	-	-	-	7,268
Scholarship and building funds	-	5,145	-	2,470	7,615
Total liabilities	7,268	5,145	-	2,470	14,883
Net liquidity gap	\$ 67,808	\$ 117,477	\$ -	\$ 3,960	\$ 189,245
Cumulative liquidity gap	\$ 67,808	\$ 185,285	\$ 185,285	\$ 189,245	

As at December 31, 2007

	Within 3 Months	3 to 12 Months	Over 5 Years	No Specific Maturity	Total
Total assets	\$ 79,855	\$ 117,989	\$ -	\$ 6,430	\$ 204,274
Total liabilities	\$ 14,633	\$ 4,895	\$ -	\$ 1,020	\$ 20,548
Net liquidity gap	\$ 65,222	\$ 113,094	\$ -	\$ 5,410	\$ 183,726
Cumulative liquidity gap	\$ 65,222	\$ 178,316	\$ 178,316	\$ 183,726	

9. FINANCIAL RISK MANAGEMENT (*Cont'd*)

9.3. **Market risk**

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market conditions, such as foreign exchange rates (currency risk), interest rates (interest rate risk) and other market factors (price risk).

9.3.1. *Currency risk*

The Institute has no significant exposure to currency risk, as all transactions are denominated in Bahamian Dollars.

9.3.2. *Interest rate risk*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute is exposed to interest rate risk on its deposits with financial institutions as they bear interest at market rates. The Institute mitigates this risk by placing its funds with high quality financial institutions.

9.3.3. *Price risk*

The Institute has no exposure to risk as it has no equity or other financial instruments that are exposed to price risk.

9. FINANCIAL RISK MANAGEMENT *(Cont'd)*

9.4. Fair value of financial instruments

Fair value is the amount at which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine the fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of financial assets and liabilities held by the Institute.

Council is of the opinion that the carrying value of the Institute's financial instruments approximates their fair values.

9.5. Capital risk management

By its very nature, the Institute does not have capital as defined by International Financial Reporting Standards. Accumulated fund may be considered to have similar characteristics to that of capital, the intention of which is to maintain a sound financial position to ensure that the Institute is able to continue its operations and thereby fulfill its mission.

The Institute is not subject to any imposed capital or reserves requirement.



APPENDIX A

NOTICE TO VOTING MEMBERS:

Attention is drawn to sub-paragraph 1 of paragraph 1 of the First Schedule to The Public Accountants Act, 1991, wherein it is stated that the Council shall consist of not less than nine and not more than fifteen persons who shall be elected in the prescribed manner by the members from among the membership.

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy, who must be a member of the Institute, to attend and, on a poll, to vote in that member's place.

A member who lodges a proxy will not thereby be debarred from attending and voting in person at the meeting if, in the event, he is able to be present.

Notice and details of items to be discussed under any other business should be forwarded to the Secretary of the Institute not later than Friday, July 3rd, 2009.

APPENDIX B



PROXY FORM:

FOR THE ANNUAL GENERAL MEETING OF MEMBERS OF THE INSTITUTE TO BE HELD AT THE BRITISH COLONIAL HILTON HOTEL, TWELVE-THIRTY P.M. ON TUESDAY, JULY 7TH, 2009.

The undersigned, _____

_____ being a member of The Bahamas

Institute of Chartered Accountants, hereby appoints _____ or

_____ or instead of either of them as proxy of the undersigned to

attend and vote at the Annual General Meeting of the Institute to be held at 12.30 pm on

Tuesday, July 7th, 2009 at and at any adjournment thereof.

The undersigned revokes any prior proxies to vote at the meeting.

Signed: _____

Dated this _____ day of _____ 2009

NOTE:

To be effective, this proxy form must be received by the Secretary of The Institute not later than Friday, July 3rd, 2009



APPENDIX C

NOMINATION FORM:

Nomination of a Candidate for Election to the Council of The Bahamas Institute of Chartered Accountants

In accordance with the Public Accountants Act, 1991 and the Public Accountants Regulations, 1992, we the undersigned, being members in good standing with the Institute, do hereby nominate the candidate named below for election to the Council at the upcoming Annual General Meeting on July 7th, 2009.

Name of Candidate:

Address:

Place of Employment:

Name of Proposer:

Address:

Place of Employment:

Signature of Proposer:

Name of Proposer:

Address:

Place of Employment

Signature of Proposer:

Date: _____

Notes:

Each candidate has to be nominated by two members in good standing with the Institute. Completed Nomination Forms should be returned to the Secretary of the Institute not later than Friday, July 3rd, 2009.

APPENDIX D

MINUTES – JULY 9, 2008 ANNUAL GENERAL MEETING:



The Bahamas Institute of Chartered Accountants (BICA)
Minutes of BICA 17th Annual General Meeting
Held Wednesday, July 9th, 2008

The seventeenth Annual General Meeting (AGM) of The Bahamas Institute of Chartered Accountants (BICA) was brought to order at 12:30 pm Wednesday the 9th July, 2008, however, due to lack of a quorum, members were asked by the Chairman, Daniel Ferguson, to wait the mandatory thirty minutes before adjourning the meeting. After an additional thirty minutes, it was determined that the meeting still lacked a quorum and as a result, the Chairman advised that the meeting would reconvene one week later on the 16th July, 2008, as mandated by the BICA rules and regulations. The headcount was conducted by BICA's accountant, Sean Bain.

16th July, 2008

Minutes
Executive General Meeting
The Bahamas Institute of Chartered Accountants

An Executive General Meeting (EGM) of BICA was held on Wednesday, 16th July, 2008. The meeting convened at 12:30 pm at the British Colonial Hilton. As there was no quorum, the commencement of the meeting was delayed for the mandatory thirty minutes whereupon those present constituted a quorum. The headcount was conducted by BICA's accountant, Sean Bain.

Outgoing President, Daniel Ferguson, brought the meeting to order and invited Philip Galanis to offer a prayer over the proceedings.

A copy of the minutes of the 16th Annual General Meeting was included in the 2007/2008 Annual Report and members present were asked to review same, and to advise as to corrections. As there were no corrections, a motion to accept the minutes was moved by Philip Galanis and seconded by Ronald Knowles.

There were no matters arising.

President Ferguson advised those present that the purpose of the meeting was to:

- o Appoint a firm of Public Accountants to audit the accounts of BICA,
- o Elect the members of the Council of BICA and,
- o Submit reports regarding the activities of BICA in respect of the immediately preceding fiscal year.



President's Report

President Ferguson updated the members regarding the various initiatives undertaken by the BICA Council during the past year. Those initiatives included the following:

- o Implementation of a Group Medical Plan – this initiative has yet to be implemented and Ronald Knowles is spearheading the drive to get members to sign up for the plan.
- o Pension
- o EPA

He noted that the goal of his administration was to maintain the institute and the integrity of its membership.

Philip Galanis moved to have the President's Report accepted.
The move to accept the President's Report was seconded by Ronald Atkinson.

Treasurer's Report (presented by Philip Galanis on behalf of Dominic Gomez, Treasurer)

Mr. Galanis remarked that BICA's financial position remains extremely healthy with in excess of \$192,000 in cash and term deposits. He noted that we were able to reduce our receivables to just under \$4,000 however, accounts payable increased to just under \$15,000.

The Institute generated \$228,000 in Revenue with the bulk of the income being generated by the Continuing Professional Education program. Annual membership and licence fees were both down from the prior year.

Expenses increased by 23% mainly as a result of the benefits paid out to the former Office Administrator, Patricia Bowe.

Mr. Galanis entertained questions from the floor as follows:

Ronald Atkinson: Should BICA consider making its long-term members exempt from paying membership fees?

Philip Galanis: It is something that BICA should consider, however we should keep in mind that BICA is a small Institute with few members and means to generate revenue.

Pedro Delaney: Are non-financial members of BICA excluded from benefiting from the benefits?

Daniel Ferguson: It is something that BICA should consider. It would make more sense if members are financial if they are to benefit from any BICA benefits.

Pedro Delaney moved to have the Treasurer's Report accepted.
The move to accept the Treasurer's Report was seconded by Ann-Marie Davis.

Auditor's Report

Two representatives of the accounting firm of James B Gomez & Co, were present to present the 2007 Unqualified Audited Financial Statements of BICA, and fielded questions from the members.

No questions were raised.

Ronald Knowles moved to have the 2007 Audited Financial Statements be accepted. The move to accept the 2007 Audited Financial Statements was seconded by Philip Galanis.

Appointment of Auditors

A motion was made by Ronald Knowles to appoint the accounting firm of James B Gomez & Co as the auditors of BICA for fiscal 2008. The motion was seconded by Philip Galanis.

Election of Council

Philip Galanis moved that the new council be voted in by acclamation. This was seconded by Ronald Knowles. Philip Galanis then moved that the new council be approved by the members present. This was seconded by Ronald Atkinson.

The new council members are as follows:

Mr. Ronald Knowles
Mr. Philip Galanis
Miss Roslyn Minnis
Mr. Pedro Delaney
Miss Nicolette Gardiner
Mr. Lambert Longley
Mr. Reece Chipman
Mr. Daniel Ferguson
Mr. Peter Turnquest

A motion to accept the new council members was moved by Philip Galanis and seconded by Ronald Knowles.

Philip Galanis moved to close the nomination of council members, seconded by Ronald Knowles.

The President asked for a motion that the AGM be adjourned. Following the adjournment of the AGM, the President met with the newly elected Council and extended congratulations to them all and opened the floor for the nomination of the Executive Council.

The following persons were nominated and elected un-opposed to the Executive Council:

Mr. Daniel Ferguson – President
Mr. Ronald Knowles – 1st Vice President
Mr. Philip Galanis – 2nd Vice President
Miss Nicolette Gardiner – Treasurer
Miss Roslyn Minnis – Secretary

At 2:00 pm the meeting was adjourned.

Roslyn Minnis
Secretary

