

ANNUAL 2005 REPORT

INSTITUTE OF CHARTERED ACCOUNTANTS OF THE CARIBBEAN



ADDING VALUE
TO THE REGION



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE CARIBBEAN

The Institute of Chartered Accountants of the Caribbean (ICAC) was established under the laws of Jamaica and incorporated as a company on October 28, 1988. It brought together Accountants of the English-speaking Caribbean.

VISION STATEMENT

“ICAC is the internationally recognised 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.”

ICAC OBJECTIVES

- promote internationally acceptable accounting and auditing standards within the region.
- foster a strong, cohesive and effectively regulated regional Accountancy profession.
- harmonise the qualification entry requirements and rules of professional conduct within the Accountancy profession in the region.
- provide leadership on emerging issues as they affect the accounting profession in the region.
- to maintain liaison with other regional and international professional and business organisations.
- to promote, foster and maintain a respectable image of the profession, establish professional levels of competence, character and integrity while serving the public interest.

ICAC



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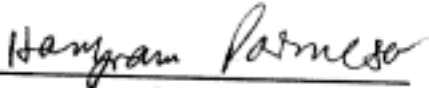
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of the Institute of Chartered Accountants of the Caribbean will be held at the Hilton Hotel, Barbados, on Thursday, June 8, 2006, commencing at 4:00 pm for the following purposes:

- To confirm minutes of the Seventeenth Annual General Meeting held at the Princess Hotel and Casino, Belize, on Thursday, June 23, 2005.
- To receive the report of Directors
- To appoint Directors
- To elect officers for the period June 2006- June 2007
- To adopt audited Financial Statements for the year ended December 31, 2005
- To elect auditors for the year ending December 31, 2006
- To consider any other business that may be brought before the Annual General Meeting

BY ORDER OF THE BOARD



Harryram Parmesar
Secretary

May 17, 2006





L. Garth Kiddoe, ICAC President

REPORT OF THE PRESIDENT FOR THE YEAR 2005

2005 may well be described as a year of transition for ICAC, as there was a change in the leadership and a number of other significant developments as we sought to reset the strategic focus of the Institute. This report will therefore span portions of two presidencies. It will first take into account our activities from January to June 2005, during which Mr. Elson Jordan was President, then move through to the latter half of the year since my election as President in June 2005.

THE LAUNCH OF THE ICAC FLAG

The ICAC flag, the single most important symbol of the institute's goals and objectives, was adopted in January 2005 and formally launched at the 23rd annual Caribbean Conference of Accountants held in Belize in June 2005. It was felt that the adoption of a flag would enhance the brand identity of the Institute and symbolize the unity among Member institutes.

23RD ANNUAL CONFERENCE OF ACCOUNTANTS

The theme for the Conference, 'We Harmonize,' was chosen in keeping with globalization trends affecting the Accountancy profession. The topics presented addressed the new developments in international financial reporting standards, the Caribbean Single Market and Economy (CSME) and other matters of importance to the accountancy profession in the region.

The Conference was a great success, both operationally and financially, with over three hundred delegates in attendance. This was achieved despite the challenges which some may have faced, especially during the registration process. We thank the Belize Institute of Chartered Accountants and in particular its Conference Planning Committee, chaired by Mr Mark Hulze, for an enormous job well done.

PRACTICE MONITORING SCHEME

In a development heralded as being very significant to ICAC and to chartered accountants regionally, the Association of Chartered Certified Accountants (ACCA) has offered to undertake, on behalf of ICAC, a region-wide practice monitoring scheme (starting with Barbados, Trinidad & Tobago, Guyana and Jamaica) which would substantially improve the effectiveness of the supervision of Caribbean Accountants. Practice monitoring will not only bring more credibility to the profession, but also give tangible benefits to practitioners who are members of their local institutes. Each Member institute had been asked to review the proposal. Indications are that some local legislative hurdles will first have to be cleared.

ELECTRONIC LEARNING

The initiative to offer on-line continuing professional development (CPD) courses to members took a major step forward this year with the drafting of an agreement with Kesdee Inc. (a Canadian company specializing in developing interactive e-Learning programs for the global finance community), which is currently under review by the Board for full implementation in the coming year.

STRATEGIC PLANNING RETREAT

ICAC hosted a very successful Strategic Planning Retreat on October 1-2, 2005.

The main purposes of the retreat were to:

1. Celebrate ICAC's accomplishments
2. Create a vision for ICAC for the next three years
3. Explore alternate ways of elevating ICAC's profile, including developing, marketing and communicating activities to ensure greater member country involvement and achieving international prominence
4. Formulate a roadmap of projects and commitments which will deliver changes needed to accomplish point (3) above.

The newly developed vision statement of the Institute now reads:

"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."

Attention during the remainder of the year was paid primarily to pursuing and where feasible, implementing a number of the projects identified at the retreat. These project goals are summarized below:

GOAL OF PROJECTS	LEAD DIRECTOR	STATUS
1. Strengthening the ICAC Annual Conference as a profitable flagship event	BB	<ul style="list-style-type: none"> - Hilton Hotel in Barbados selected for 2006 - All members and affiliates have been given promotional materials for circulation to members. - Manual to be prepared to facilitate improved institutional memory as it relates to the planning and execution of these events in the future and to allow greater consistency in the ongoing improvements to the conference.
2. Increase membership of national institutes	JH	- Update pending
3. Boost the efficiency of the ICAC Secretariat	GK, HP	- Office equipment to be upgraded and operating standards established. Appropriate staff training also to be facilitated
4. Establish an ICAC Research Services facility for the benefit of members and non-members	HP	- The information will be available by June 2006

GOAL OF PROJECTS	LEAD DIRECTOR	STATUS
5. Increase the International Recognition of ICAC	BR	<ul style="list-style-type: none"> - Principal Officers met with IFAC CEO to clarify procedures for ICAC achieving enhanced IFAC status. - Representatives of the Interamerican Accounting Association (IAA) at our invitation, will attend the January 2006 Board Meeting in Barbados with a view to exploring scope for ICAC/IAA collaboration. - Application submitted to IFAC for acknowledged regional grouping status. The application is currently under review by the IFAC Member Body Compliance staff. - IFAC Developing Nations Committee is scheduled to meet in Barbados at the time of ICAC conference.
6. Develop relations with other potential affiliate institutes and stakeholders	ES, EJ	<ul style="list-style-type: none"> - Informal discussions with AICPA held. - Contact being established with CARICOM Secretariat. - ICAC presence on CCJ Board of Trustees being maintained. - Further contact made with Cayman and Turks & Caicos Islands.
7. Develop and maintain a 'state of the art' website	LM	<ul style="list-style-type: none"> - Professional review of Website is in progress.
8. Optimum utilization of the regional media houses to enhance the image of ICAC	GK	<ul style="list-style-type: none"> - Publicity Committee being expanded to include Country Reps. Database of regional media houses being established.
9. Exploring opportunities to improve services to members by hosting joint Continuing Professional Development seminars with Member institutes.	DT/HP	<ul style="list-style-type: none"> - Three joint seminars held during the months of October and November 2005 in St. Kitts and Guyana respectively.

TEAM BUILDING

Except for the representatives from St Kitts & Nevis and Belize, all members of ICAC were represented at the October 2005 retreat. In keeping with a decision of the Board, the Treasurer and President subsequently visited and met with members of the Councils of both accountancy bodies. Discussions were held under the following general headings:

- Strategic planning process
- Projects & plans
- ICAC Practice Monitoring Scheme
- ICAC finances
- Conferences – Barbados 2006; St. Kitts 2007
- Local issues

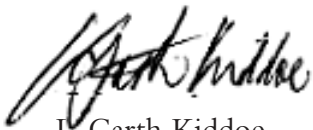
SERVICES TO MEMBERS

Regarding services to members, ICAC can be particularly valuable to the smaller institutes/associations in the area of Continuing Professional Development (CPD) activities. In this respect therefore, it is noteworthy that three very successful joint ICAC seminars were held in St Kitts (October 2005) on International Financial Reporting Standards (IFRS) and in Guyana (November 2005) on Practice Management and IFRS.

The joint seminars in St. Kitts and Guyana were of exceptional quality and importance since they proved that ICAC can, with the cooperation of its stakeholders add value, especially to the smaller members in the area of CPE Activities.

In closing, I wish to record my special thanks to the ICAC Directors in St Kitts and in Guyana and to the ICAC Secretariat for their roles in the successful execution of these events. I especially thank the Association of Chartered Certified Accountants (ACCA) for part-sponsoring one of the events in Guyana.

In addition, I extend my greatest thanks and appreciation to the other Directors and Affiliates of ICAC for their support and commitment during the past year.



L. Garth Kiddoe
President, ICAC

REPORT OF THE DIRECTORS FOR THE YEAR 2005

The Directors are pleased to submit herewith their report for the year 2005.

MEMBERS AND AFFILIATE MEMBERS

MEMBERS

The Institute of Chartered Accountants of Trinidad & Tobago	(478 members)
The Institute of Chartered Accountants of Jamaica	(775 members)
The Institute of Chartered Accountants of Barbados	(577 members)
The Institute of Chartered Accountants of St. Lucia	(75 members)
The Institute of Chartered Accountants of Antigua and Barbuda	(60 members)
The Association of Chartered Accountants of St. Kitts-Nevis	(20 members)
The Institute of Chartered Accountants of Guyana	(56 members)
The Institute of Chartered Accountants of Belize	(49 members)
The Institute of Chartered Accountants of Bahamas	(320 members)

AFFILIATE MEMBERS

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

BOARD OF DIRECTORS

The Members of the Board of Directors are:

MEMBERS OF THE BOARD

Garth Kiddoe	President	Jamaica
Angela Lee-Loy	Vice-President	Trinidad and Tobago
Harryram Parmesar	Secretary	Guyana
Brian Robinson	Treasurer	Barbados
Kyle Rudden	Alternate Director	Trinidad and Tobago
Elson Jordan	Director	Barbados
Joan Brathwaite	Alternate Director	Barbados
Kendrick Christie	Director	Bahamas
L. Sydney Saunders	Alternate Director	Bahamas
Giacomo Sanchez	Director	Belize
Roy Pandey	Alternate Director	Belize
Cleveland Seaforth	Director	Antigua & Barbuda
Erwin Southwell	Alternate Director	Antigua & Barbuda
Donald Thompson	Director	St. Kitts-Nevis
Robertine Chadderton	Alternate Director	St. Kitts- Nevis
Frank Myers	Director	St. Lucia
Leighton McKnight	Alternate Director	Jamaica

THE EXECUTIVE

The Executive elected at the Annual General Meeting in Belize in June 2005, was:

Garth Kiddoe	President
Angela Lee Loy	Vice-President
Harryram Parmesar	Secretary
Brian Robinson	Treasurer

The Institute held its Forty-First, Forty-Second and Forty-Third Board of Directors' Meeting and Retreat on January 22, June 23, and October 1, 2005 respectively. One meeting of Directors was held on April 9, 2005 while three (3) special Directors' meetings were held on June 23, 24 and 25 respectively. The 17th Annual General Meeting was held on June 23 at the Princess Crown Hotel in Belize.

DIRECTORS' ATTENDANCE

Meetings attended by Directors (and/or their Alternates) during the year were: (please note that all Directors mentioned were on the ICAC Board for some or all of the year 2005):

BOARD MEETINGS

NAME	POSITION	INST./ORG.	NUM
Michael Sleight	Affiliate Director	ACCA	5
Laurie Gillan	Affiliate Director	ACCA	1
Cleveland Seaforth	Director	Antigua & Barbuda	0
Erwin D. Southwell	Alternate Director	Antigua & Barbuda	8
Kendrick Christie	Director	Bahamas	0
Ricky Chea	Director	Bahamas	7
L. Sydney Saunders	Alternate Director	Bahamas	1
Brian Robinson	Treasurer	Barbados	7
Elson Jordan	Director	Barbados	7
Ms. Betty Brathwaite	Alternate Director	Barbados	8
Giacomo Sanchez	Director	Belize	4
Roy Pandey	Alternate Director	Belize	0
John M. Howard	Affiliate Director	CGA	4
Lyles Handsfield	Affiliate Director	CGA Canada	4
Eric Bartlett	Affiliate Director	CGA Canada	5
Harryram Parmesar	Director	Guyana	7
Garth Kiddoe	Director	Jamaica	8
Linroy Marshall	Alternate Director	Jamaica	5
Leighton McKnight	Alternate Director	Jamaica	1
Donald Thompson	Director	St. Kitts Nevis	6
Robertine Chadderton	Alternate Director	St. Kitts-Nevis	0
Earlene Huntley	Alternate Director	St. Lucia	1
Frank Myers	Director	St. Lucia	6
Angela Lee Loy	Director	Trinidad & Tobago	7
Kyle Rudden	Alternate Director	Trinidad & Tobago	0

CHIEF EXECUTIVE OFFICER'S REPORT



Cheryl Gardner

REGIONAL INITIATIVES

Throughout 2005, the Institute made advances in one of our long-standing objectives, that of providing a monitoring regime for practicing accountants in the Caribbean. In the previous year (2004), the ACCA Head of Monitoring & Supervision, Mr. Sha Ali Khan, outlined ways in which ACCA could assist in getting the Regional Monitoring Programme on track. Early in 2005, the Institute requested a quote from ACCA to action their 2004 proposal. The Secretariat received a list detailing additional information required by ACCA which would enable them to attach a dollar amount to the proposal. Responses were submitted from Jamaica, Trinidad, Barbados and Guyana. Subsequently, a comprehensive plan and estimate were received from ACCA, to which all four territories have agreed in principle.

During the year the Inter-American Development Bank (IDB) proposed three options for the ICAC members to consider for the IDB programme. The third project option offered to the ICAC by the IDB was agreed upon by the Board, that is, the signing of five separate agreements with the Bank. This option states that the project activities for each institute will be executed independently at a national level and supervised by the respective country offices. In the case of the ICAC, a separate agreement will be signed to execute the regional activities to benefit all the countries participating in the project.

The ICAC launched its flag at the 23rd Annual Conference opening ceremony. The Presidents of ICAC, ICAB along with the representative of the Belize Prime Minister, Mr. Rene Villanueva oversaw the launching. The placement of the ICAC's logo in the centre of the flag represents the equality amongst the member institutes of the ICAC. It has a hoist:fly ratio of 1:2 and the size is similar to that of the other territories' flags: three feet by six feet.

The International Accounting Standards Board (IASB) invited the ICAC to be represented at a Small and Medium-Sized Entities (SMEs) meeting held on Tuesday, October 4, 2005 at Buenos Aires, Argentina. The Board decided that the best person to represent the Institute was Mr. David Raggay of Trinidad and Tobago who represents the Caribbean on the IASB Board and is involved with the SME issues.

The ICAC was also invited to attend a Master Class seminar hosted by the Caribbean Regional Organization of Supreme Audit Institutions (CAROSAI) on October 10 and 11 in Miami.

The seminar provided a forum for heads of Supreme Audit Institutions (SAIs) and other senior staff to re-examine how to increase the impact of SAIs and the role of SAIs in strengthening the governance, transparency and accountability in the region. The Secretary of ICAC, Mr. Harryram Parmesar, represented the President at this workshop and presented a short paper on ICAC work, the links we may have with SAIs, thoughts on how SAIs could better support our activities and how to improve the contribution SAIs make to the region.

ADMINISTRATIVE MATTERS

The following two papers were prepared:

- A paper entitled *The Caribbean Single Market & Economy – Its Impact on the Accountancy Profession* was prepared as a resource paper for the Institute.
- A paper supplying background information to the Board document entitled, *The Future of the ICAC*.

During 2005, the Institute lost Administrative Assistant Mrs. Jay-Ann Wisdom. The ICAC thanked her for her contribution to the organization during her tenure, and wished that she will find challenge as well as fulfillment in her future undertakings. The Institute welcomed Miss Stacy-Ann Dawkins, who took up the position on September 26, 2005.

ANNUAL CONFERENCE

Under the theme “2005: We Harmonize,” the 23rd Annual Conference of Caribbean Accountants was held in Belize, June 23-25 at the Princess Hotel & Casino. In order to satisfy delegates who mentioned that insufficient topics were included for non-practicing accountants over the past few years, the ICAC included the following two additional topics targeted at non-practicing accountants:

- Financing the Cricket Infrastructure – 2007
- Shared Services – Adding Value to Your Business.

The Secretariat joined the Belize Conference Committee in the extensive marketing of the 23rd Conference which included soliciting help from ACCA Caribbean to inform their members about the conference as well as placing advertisements in some of the leading newspapers in the region. In general, it can be concluded that the 2005 Conference was a resounding success. Presentations were relevant, interesting and delivered at a high standard. The social activities were also stimulating and refreshing. The following successes are worthy of special mention:

- The entertainment package at the President’s Gala and Cultural Fest comprised a cabaret featuring the history of the Maya Indians, the arrival of the Africans, Chinese, Arabs and the German & Dutch Mennonites. The showcase depicted the country as a melting pot of many races.
- At the end of the conference, participants were taken to the Balam Ha Resort for a jungle tour, dancing & tubing down the mountains through a cave. Participants were both intrigued and excited by the jungle /cave experience.

The 24th Annual Conference, themed “Sharpening the Edge” will be held at the Hilton Hotel Barbados from June 8-10, 2006. The conference will present a wide variety of topics catering to all sectors of the accountancy profession. We expect that these topics will continue the tradition of vigorous debate among participants.

COMMITTEES AND THEIR CO-ORDINATING INSTITUTES

REGIONAL COMMITTEE	MEMBER INSTITUTE	CHAIR
Membership	Barbados	Joan Brathwaite
Publicity	Jamaica	Garth Kiddoe
Joint Seminar	St. Kitts- Nevis and Antigua & Barbuda	Donald Thompson/ Erwin Southwell
Education	Trinidad	Angela Lee-Loy
Technical	Guyana	Harryram Parmesar

EDUCATION COMMITTEE REPORT



Angela Lee-Loy

During the year, the Education Committee, chaired by Trinidad focused on the possibility of ICAC entering into a partnership with Kesdee Inc. a technology-based company that provides end-to-end e-Learning solutions covering all facets - Technology, Content and Services for Knowledge Management & Continuing Professional Education (CPE) initiatives.

Viewing this as a cost-effective way to offer CPE to our members and students in the Caribbean, the committee requested comments and recommendations from our CGA representative, Eric Bartlet. Our affiliate CGA has been using Kesdee's services for approximately three years, providing courses to over 60,000 CGA members and students in the Caribbean, Hong Kong and China. Our CGA representative gave a favourable report which resulted in a proposal being prepared and circulated to Directors for review.

The Kesdee's offer included, among other things, a private-label portal which will incorporate the Institute's Logo, Choice of Colours and Layout Design ("Powered by KESDEE Inc." on each screen). The portal can also be used to make available e-learning & reference solutions to ICAC's members. The programmes to promote and market Kesdee's e-learning courses would be decided on by ICAC and Kesdee. This will be a cost-effective initiative to the institute as (ICAC) will receive 35% of net sales revenue and KESDEE will receive 65%.

In February 2005, Kesdee provided one-day complimentary access to the ICAC Principal Officers through password and identifications, allowing them a first-hand feel of the programme. It was agreed by all Officers that the course contents were of a sufficiently high standard, and that ICAC could indeed benefit from the association.

After detailed examination of the Strategic Relationship Agreement sent to ICAC by KESDEE, the Committee prepared a list of concerns which were dispatched to the Kesdee Client Service Executive.

The representative supplied sufficiently adequate responses to all concerns, and based on our request deleted a clause which was causing some disquiet for ICAC. There was also the inclusion of the following three programmes:

- BASEL II- University (Library of 63 Courses)
- Sarbanes- Oxley Act (Library of 12 Courses)
- Management Accounting (Library of 7 Courses)

This was an attempt to increase the number of accounting courses in order to satisfy our query as to the heavy banking and finance slant of the programme.

Based on the foregoing, the Education Committee recommended the E-Learning Programme to the ICAC Board of Directors and is anticipating the signing of the Strategic Relationship Agreement early in 2006.



Joan Brathwaite

MEMBERSHIP REPORT

The year started with the total membership quota reflecting a 35% decrease, due to the drastic reduction in the ranks of one of our members. However, the affected member has promised to rebuild membership as soon as possible. ICAEC is currently forming Institutes in most of the other OECS that are not members at present. Once that is done, applications for membership will be submitted to the ICAC.

MEMBERSHIP DRIVE

The Committee has invited the Cayman Islands Society of Professional Accountants as part of our overall effort to broaden our membership base.

During 2005, the list of approved Accountancy Qualifications developed by the Institute was accepted by all members, except one. However, towards the end of the year, there were sufficient indications that all territories will be on board by early 2006.

The Membership Committee did not recommend the application for the MSc as a primary body for membership in ICAC, since there is no practical component to this qualification. The Committee has proposed to ICAJ that a new designation be developed to distinguish between new MSc graduates and those that have satisfied the three years' working criteria for membership.

The Free Movement of Chartered Accountants within the Context of the CSME

The Membership Committee has proposed the following approach to govern the free movement of chartered accountants among CSME member countries:

For those territories with a formal institute, chartered accountants moving from one island to another will

be required to register with the local institute. To operationalise this, it is proposed to develop a standard registration form which will be made available on each institute's web site as well as that of the ICAC.

On completion of this form, it will be submitted to the territorial institute who will verify the details with the member's primary institute.

For persons seeking employment/business opportunities in the region, but are residing in a territory where there is no institute, the ICAC will act as the validation agency, using the list of approved recognised qualifications as approved by the Board, to create a register to facilitate such movement within the region.

The ICAC Secretariat will validate the details submitted and will forward the particulars to the territory where that individual seeks to offer his/her expertise.



Harryram Parmesar

TECHNICAL COMMITTEE

The Technical Committee focused on the following three areas during the year under review.

- Monitoring Programme for the region's Accountants
- IDB
- Professional Indemnity Insurance

MONITORING PROGRAMME

In the first quarter of 2005, the Board acknowledged the substantial amount of work Mr. Brynmore Pollard had done in establishing the legislative changes necessary to enable each territory to enforce professional discipline, including the implementation of a Monitoring programme embracing mandatory CPE requirements.

In order to move forward on the ACCA Monitoring Proposal for the Caribbean, the Head of Monitoring & Supervision, Mr. Sha Ali Khan, was asked to submit a plan outlining details of additional information required for ACCA to submit an estimate of this proposal. He acted in accordance with this request and responses were submitted from Jamaica, Trinidad, Barbados and Guyana. Subsequently, a comprehensive plan and estimate were received from ACCA, to which all four territories have agreed in principle.

PROFESSIONAL INDEMNITY INSURANCE

The Committee has made several attempts to do the following:

- Sensitize and educate practicing accountants in the region about the urgent need for adequate Professional Indemnity Insurance.
- Advise that it is becoming increasingly risky for members to continue operating without coverage.
- Inform that ACCA is now requesting that public practitioners, as a rule, carry insurance. In spite of the above, the response to date has been less than encouraging.

Since it is believed, however, that negotiations at the Caribbean level will embrace a larger number of participants and thus make the cost financially affordable, the Board has decided to continue encouraging participation.

IDB

Based on a mail received from the Inter-American Development Bank in January offering several options to the regional initiatives to support the adoption of, and compliance with IFRS and ISA, the interest in individual projects was once again aroused by the four participating territories namely, Bahamas, Barbados, Belize and Guyana.

In response, the consultant for Priorities and Programming Unit at the Multilateral Investment Fund (MIF), Ms. Winsome Leslie, re-iterated once again, that individual projects will not be entertained. As a result, a paper proposing three options was presented. The third project option was agreed by the Board, that is, the signing of five separate agreements with the Bank. This option states that the project activities for each institute will be executed independently at a national level and supervised by the respective country offices. In the case of the ICAC, a separate agreement will be signed to execute the regional activities to benefit all the countries participating in the project.

Due to the time lapse from the initiation of the project in January 2004, re-commitment letters were requested by the IDB from ICAC and the four participating territories. These were submitted along with the maximum amount each party was able to commit for their counterpart funding.

With the above in place, the Committee is anxiously awaiting in 2006:

- The consultant's update of David Raggay's 2003 report
- The re-drafting of the Project Abstract based on the updated report.
- The re-submission of the project to the Policy and Operations Committee at the MIF, who determines project eligibility for funding and
- The analysis mission meeting.



Leighton McKnight

PUBLICITY REPORT

In order to fulfill the terms of reference for the publicity committee, the team oversaw several activities over the year, namely:

- Marketing of the 23rd Conference of Accountants
- Regular updates of the website
- Newsletter Production
- Issuance of Press releases

23RD CONFERENCE OF ACCOUNTANTS

In the first quarter of the year, feedback from members indicated that the conference had two problems militating against it. These were:

- The difficulty in getting to Belize and
- Fear of being inoculated for yellow fever and taking malaria tablets.

The Committee responded to these negative points by aggressively promoting the Conference amongst the ICAC members and other interested parties. A link was created to the Belize website www.icab.bz which was under the caption “Conference 2005” located on the home page of the ICAC’s website www.icac.org.jm.

Other initiatives included:-

1. Designing and placing advertisements in the Institute of Chartered Accountants of Jamaica (ICAJ) 40th Anniversary Supplement, which appeared in the *Jamaica Observer*, dated February 4, 2005, *The Business Guardian* and the *Newsday Business Supplement* in Trinidad, in the newspaper in Barbados and as a pop-up on the ICAC website;
2. Developing a flyer and circulating it among all member territories as well as Cayman, Bermuda and the Turks and Caicos Islands;
3. Issuing invitations to the Caricom Secretariat and the Eastern Caribbean Central Bank. This latter institution played the leading role in the formation of the Institute of Chartered Accountants of the Eastern Caribbean (ICAC).

REGULAR UPDATES OF THE WEBSITE

The Committee continued to monitor the website to ensure that time-sensitive information was removed.

The following were mounted on the website:

- All lecture presentations at the 23rd Conference
- An article promoting the 24th Conference of Accountants to be held in Barbados.
- The profile of the current ICAC President
- A citation introducing the ICAC flag.

NEWSLETTER

Two electronic copies of the Newsletter were produced during the year. These included territorial updates and technical accounting articles.

PRESS RELEASES

The committee arranged for the publication of three press releases during the year. These were:

1. “*Caribbean Chartered Accountants Meet in Belize*” – this article gave a synopsis of the 23rd Conference and advised of the new ICAC Board.

2. “*Caribbean Accountants Considering Practice Monitoring Scheme*” – This article announced that the ICAC Board is considering the proposal recently received from the Association of Chartered Certified Accountants (ACCA) to undertake monitoring of Caribbean accountants under a planned ICAC Practice Monitoring Scheme.

It also advised of the retreat at the Accra Beach Hotel and Resort, Barbados, and promoted the 24th Conference in Barbados.

3. “*Caribbean Accountants Presents Seminar for Small Practitioners*” – This article was printed only in Guyana and was aimed at promoting the following joint seminars:

- An International Financial Reporting Standards (IFRS) seminar on Intangibles on Friday November 18, 2005 at the Georgetown Country Club; and
- A small Practitioner’s Workshop on Saturday November 19, 2005 at the Towers Hotel.

The article also encouraged Guyanese accountants who are not yet members of their local institutes to become members, and promoted the 24th Conference of accountants.

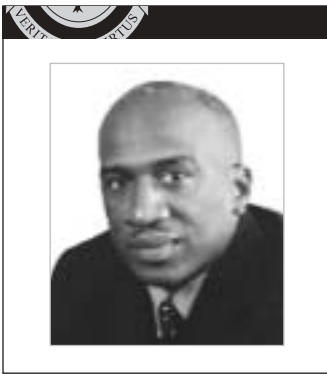
NEW MANDATE FOR PUBLICITY COMMITTEE

At the Strategic Planning Retreat held in Barbados on October 1-2 2005, a new mandate was developed for the Publicity Committee. This will require significant work from the Committee, as it will be responsible for promoting and positioning the new vision of the Institute in the minds of its members, directors and the public through the optimum use of the media and other related avenues of promotion.

PRIORITIES FOR 2006

In accordance with the new mandate, the committee intends to:

- Develop the current website to carry additional linkages, technical information, database of services/activities, conference information and CPE/e-learning.
- Develop a centralized database of members in the region.
- Host press briefings and issue press releases at appropriate intervals, following major activities undertaken or hosted by ICAC.



Donald Thompson



Erwin Southwell

JOINT SEMINAR REPORT

In order to honour its role of educating and providing training opportunities for its members, the ICAC had three joint seminars in 2005.

Discussions were held with the President of ICAEC, Mr. Anthony Atkinson, and it was decided that International Financial Reporting Standards training seminars could be held with

individual territories that demonstrated interest in these seminars. One such seminar was held in St. Kitts during October 10-11, 2005.

Presenters were Mr. David Raggay and Dr. Robertine Chadderton. The topics covered were:

- First-time adoption of IFRS
- Presentation of Financial Statements
- Accounting Policies, Changes in Accounting Estimates & Errors -IFRIC
- Property, Plant & Equipment
- Investment Property
- Leases

-Impairment of Assets

-Non-Current Assets Held for Sales and Discontinued Operations

The seminar was successful and had participants from Nevis and Antigua & Barbuda.

The second IFRS seminar was held on November 18, in association with the Institute of Chartered Accountants of Guyana (ICAG) on Intangibles, which had a favourable turnout. The third seminar was in the form of a workshop for Small Practitioners in Guyana on November 19, 2005.

The workshop covered topics such as: Construction of Audit Files, Use of Technology in Small Practice, International Standards on Auditing, IFAC Code of Ethics and the Challenges Facing Small Practitioners in Guyana and the Possible Solutions.

The presenters were Mr. Anthony Pierre, Raggay & Co./IFRS Consultants from Trinidad & Tobago as well as Mr. Harryram Parmesar of Maurice Solomon & Co.

Three (3) of the local firms did not attend. The workshop was very successful and well received by members. One of the positive developments that came out of the seminar was members' agreement to meet quarterly to discuss issues facing the profession.

TERRITORIAL REPORTS



BARBADOS

The past year can be seen as a time of relative calm for the profession. ICAB has supported the International Accounting and Auditing Standards Board (“IAASB”) in its efforts to develop a parallel set of accounting standards for small and medium-sized enterprises (SMEs) as we see this as having a significant impact on companies in the Caribbean. By definition, an SME is a small enterprise which has no public interest. Within the Caribbean, there exists an overwhelming majority of such entities that are neither listed on stock exchanges nor of any predominant public interest. Other than size, therefore, most Caribbean businesses can be defined as SMEs and should welcome changes that simplify their financial reporting.

Our members in public practice have continuous challenges keeping up to date and ensuring that the financial statements they audit are presented in accordance with an increasingly complicated set of International Financial Reporting Standards (IFRS) and members in industry constantly push back on the need for full adoption of IFRS by ICAB as the local standard. I believe that as a profession, we should maintain the highest standards at all times and therefore have always supported the full adoption of IFRS, as is the case for all members of the International Federation of Accountants (IFAC). Once IFRS for SMEs becomes a reality, we will also support it as Barbados needs to be leaders in everything we do if this country is to maintain its place at the world’s economic table.

In 2006, we will mark our twenty-fifth anniversary of IFAC membership and we shall be hosting the ICAC Annual Conference at the Hilton from June 8th to 10th. We are also fortunate to have the current president speaking at the conference and sharing in the anniversary. In addition, we have secured the presence of the vice chairman of the International Accounting Standards Board who is an active member of the emerging issues Task Force and who will be here in the Caribbean to speak on the status of the SME project.

The ongoing issue of limited liability for public practitioners and our inability to discipline members remains outstanding, but changes to the legislation have been drafted and ICAB has provided Government with our comments. We remain hopeful that a resolution of these matters will be forthcoming.



BELIZE

Belize is one of the signatories to the CARICOM Single Market and Economy (CSME), which became effective January 2006. How prepared is ICAB? We are involved with the IDB/MIF project, which will come on stream shortly. ICAB will have to play an active part in this project and must put its house in order to do so. A review of the project objectives as reported below in this report show the scope of the activities in which ICAB will be involved. ICAC held a retreat in Barbados in October 2005, and a plan forward was drawn up. Belize was not present at that meeting, but as we review the contents of the

retreat as presented by President, Garth Kiddoe, when he visited Belize and ICAB's Council on December 3, 2005, ICAB has to stay connected.

During the year, Council held discussions with the tax advisor to the Government of Belize, Dr. Cal of the Ministry of Education, on the Accreditation Acts that are being contemplated, and scheduled for discussion on March 30, 2006.

COUNCIL

The Institute's Twentieth Annual General Meeting was held on May 27th, 2005. The members duly elected to serve on Council for 2005-2006 were:

President	Roy L. Pandy
Vice President	Brett Feinstein (P)
Secretary	Claude Burrell (P)
Treasurer	Giacomo Sanchez (P)
Member	Maria Stuart (P)
Member	Ernest Castro (P)

Council met several times to finalize the 2005 conference and five times to deal with regular council business.



ICAEC (ST. LUCIA, ANTIGUA & BARBUDA, AND ST. KITTS-NEVIS)

The institutes of Chartered Accountants of St. Lucia, Antigua & Barbuda and the Association of Chartered Accountants of St. Kitts-Nevis have all been incorporated into the Institute of Chartered Accountants of the Eastern Caribbean (ICAEC). Therefore, their individual territorial updates will no longer be published as separate articles in ICAC's Annual Report. These institutes are now folded into ICAEC as branches with the addition of newly formed branches in St. Vincent, Grenada, Dominica, Anguilla and Montserrat.

The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) was established in June of 2004 as an initiative of the Eastern Caribbean Central Bank who thought it wise to have a single institute representing all of the islands making up the OECS. Prior to that, only Antigua, St. Kitts and St. Lucia had formal institutes and were each granted individual membership into ICAC.

The inaugural meeting of the ICAEC was convened at the headquarters of the Eastern Caribbean Central Bank (ECCB) on Friday, October 29th, 2004. At this meeting, the following persons were nominated to council:

Anthony Atkinson	President
Erwin Southwell	Vice President
Marcella Lans-Monish	Treasurer
Frank Myers	Secretary
James Simpson	Member - ECCB
Cleveland Seaforth	Member - Antigua



During 2005, the council engaged in seeing about the formation of the new branches while those previously existing continued their normal day-to-day affairs. Visits were made and meetings held with the known qualified accountants in St. Vincent, Grenada and Dominica. All these leaders have now formed themselves into branches under a leader appointed by the President pending elections to be held at a later date. In the case of Anguilla and Montserrat, it was determined that since these islands had such few accountants it did not make sense to form a branch and so any members there would be served through St. Kitts and Antigua respectively. As it has been envisaged in the day-to-day affairs of ICAEC would be conducted by the individual island branches. Other activities during the year also included development of a logo, streamlining of the administrative function in St. Lucia where the President and Secretary reside, holding or sponsoring of training sessions at individual branches and attendance at the ICAC directors meetings where proposals were made to incorporate ICAEC into ICAC.

It is intended to have the AGM of ICAEC to coincide with the ICAC annual conference to be held in Barbados in June 2006. At this time, elections will be held for a new council to consist of eleven members: one from each island (eight); one from ECCB; and two to be appointed by the President following election of the council and officers as is required by the constitution.

For an update on the Institute of Chartered Accountants of the Eastern Caribbean, please see an article in the May edition of our bi-annual newsletter written under the caption 'ICAC Welcomes The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) into Membership'.



GUYANA

COMPOSITION OF THE COUNCIL

The members of the Council for 2005/2006 were: -

President	Mr. R. Lal
Vice President	Mr. K. Alli
Secretary	Mr. C. Thompson
Treasurer	Mr. T. Beharry
Members:	Mr. R. Alli
	Mr. P. Chan-A-Sue
	Mr. H. Parmesar
	Mr. C. Ram

MEMBERSHIP

The number of members at 31 December 2005 was sixty-one (61). Two (2) applicants were approved for membership during the year. The following chart shows a classification of members and their employment.

PARENT BODY	TOTAL	NOT IN PRACTICE		IN PRACTICE	RETIRED
		PRIVATE ENTERPRISE	PUBLIC CORP. & PUBLIC SECTOR	OR IN SERVICE OF MEMBERS IN PRACTICE	
ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS	55	26	10	17	2
INSTITUTE OF CHARTERED ACCOUNTANTS IN & WALES	3	1	-	2	-
CERTIFIED PUBLIC ACCOUNTANT	3	1	-	2	-
TOTAL	61	28	10	21	2

The new members admitted to membership were:

1. Mr. Khemraj Goberdhan
2. Ms. Bobbie Jaikaran

CERTIFICATES OF PRACTICE

There were seventeen (17) members to whom Certificates of Practice were issued in 2005.

TECHNICAL/CONTINUING PROFESSIONAL EDUCATION

a:International Accounting Standards

During 2005, the Technical Committee placed emphasis on Continuing Professional Education. The year saw the introduction by the International Accounting Standard Board of fifteen (15) revised International Accounting Standards. This was part of its Improvement Project to eliminate or reduce alternatives, redundancies and conflicts within the standards and to deal with some convergence issues and make other improvements.

Recognising the implications of the fifteen (15) Revised International Accounting Standards, the Committee conducted a series of seminars to bring members and the public up to date with the changes. The seminars covered the following International Accounting Standards:

IAS 1 - Presentation of Financial Statements
 IAS 2 - Inventories
 IAS 8 - Accounting Policies, Changes in Accounting Estimates & Errors
 IAS 10 - Events after the Balance Sheet Date
 IAS 16 - Property, Plant & Equipment
 IAS 17 - Leases
 IAS 18 - Revenue
 IAS 32 - Financial Instruments: Disclosure & Presentation
 IAS 39 - Financial Instruments: Recognition & Measurement
 IAS 40 - Investment Property

b: Value Added Tax (VAT)

Value Added Tax legislations and regulations were introduced in Guyana in 2005. Implementation originally scheduled for 1 July 2006 has been deferred to 1 January 2007.

Members of the Institute were involved in the consultation process and participated in a number of seminars on Value Added Tax.

The coming year would require more involvement in Value Added Tax, as members seek to assist in the smooth implementation in this historic development in Guyana.

OTHER SEMINARS

Seminars were not restricted to Accounting Standards. Efforts were made to cover wider areas and seminars were held on the following topics:

1. Stress Management
2. Enterprise Resource Planning
3. Anti corruption and a national Integrity System from an Auditor's perspective.

c: Small Practitioners' Workshop

The Institute, together with the Institute of Chartered Accountants of the Caribbean (ICAC), hosted a workshop for Small Practitioners in Guyana. The workshop was facilitated by Mr. Anthony Pierre of Pierre, Raggay & Co. Consultant (Trinidad & Tobago).

The Association of Chartered Certified Accountants (ACCA) has over the years played a positive and active role in the growth and enhancement of the Accountancy profession in the Guyana, and once again stepped forward to assist in sponsoring this workshop.

The workshop covered topics such as: Construction of Audit Files, Use of Technology in small practice, International Standards on Auditing, IFAC Code of Ethics and the Challenges facing small practitioners in Guyana and the possible solutions.

The topics were deliberately chosen to address the needs of small practitioners who operate without the support of large audit firms.

PUBLIC RELATIONS

TENTH YEAR OF ICAG TUITION

This year, the Institute celebrated ten years since the recommencement of tuition for students pursuing the Association of Chartered Certified Accountants (ACCA) examinations. Classes recommenced on September 2, 1995 with the first two papers of the ACCA professional examinations. At present tuition is being provided for all levels of the ACCA and Certified Accounting Technicians (CAT) examinations. A reception was hosted to commemorate our achievement, at the Savannah Suite of the Le Meridian Pegasus.

At this event, the contribution of both lecturers and students over the years were recognized. Over the past ten years—with the Institute's contribution as a tuition provider—a total of one hundred and fifty-four (154) students completed the Association of Chartered Certified Accountants (ACCA) examinations and seven hundred and seventy-nine (779) students, the Chartered Accounting Technician (CAT) examinations.

STUDENTS AFFAIRS

a) ACCA/CAT Examination Results

The year saw nineteen (19) students successfully completing the Association of Chartered Certified Accountants (ACCA) final examinations. During the five-year period 2001–2005, a total of one hundred and nine (109) students attained the ACCA standard.

b) Education – Students Training

Registration of Students with ACCA continues to increase. In 2005, the number of new students registering with ACCA was over 300 and as at December, 2005, the student population was more than 1,600. Classes were held during 2005 for the ACCA and CAT examinations.

New classes commenced in January 2006 for the June 2006 examinations. The Panel of Lecturers comprises 13 professionally qualified persons.

c) Students Activities

This year was not as active as the prior years. Students faced difficulties in attending classes as a result of the January 2005 floods. The Institute contributed to the recovery process by waiving tuition fees of two hundred and eighty-four thousand dollars (\$284,000) for our students during the month of January 2005.



JAMAICA

On January 18, 2005, the Institute of Chartered Accountants of Jamaica (ICAJ) celebrated its 40th anniversary. A series of activities was held to mark this important milestone including commemorative church services in Kingston and Montego Bay and an Anniversary luncheon. Keynote speaker at the luncheon was the Minister of State in the Ministry of Finance, Senator Deika Morrison.

The main culminating event was a 40th Anniversary Awards Banquet, which was held under the distinguished patronage of the Governor General, His Excellency, The Most Honourable Sir Howard Cooke,



ON, GCMG, GCVO, CD, at the Jamaica Pegasus Hotel on December 9, 2005. Keynote speaker was Dr. Ian Ball, Chief Executive of the International Federation of Accountants (IFAC).

One of the major highlights of that event was the presentation of the inaugural ICAJ Distinguished Achievement Award to a member of the Institute for his/her outstanding contribution to ICAJ and to the Accountancy profession. This award will be presented annually. The inaugural award was presented to Philmore Ogle, OD, Past President and Founding member of ICAJ.

NEW LEADERSHIP

Following ICAJ's 40th Annual General Meeting held on July 27, 2005, there was a change in leadership for the period 2005/2006.

Mr. Leighton McKnight, Audit Partner in the firm of PricewaterhouseCoopers, now heads the Council of the Institute. The other principal officers are Miss Prunella Vassell, Associate in charge of Audit Services and Tax Consultancy at Paul Goldson & Company, who was elected Vice President; Mr. Archibald Campbell, Lecturer, Department of Management Studies, UWI, who was appointed to serve as Treasurer, and Mr. Victor Markman, Managing Partner, BDO Jamaica, who was re-appointed Secretary.

The plans formulated for 2005/2006 are geared towards ensuring that the Accountancy profession in Jamaica continues to adhere to world-class standards that will facilitate the provision of consistently high-quality services in the public's interest.

REGULATORY FRAMEWORK

A major area of focus remains the strengthening of the profession's regulatory framework and developing a proper local monitoring and enforcement regime. In this regard, efforts are being made in conjunction with the Public Accountancy Board (PAB) to establish a monitoring and enforcement regime that will govern all Registered Public Accountants, whether or not they are members of ICAJ. Discussions with the PAB towards a more effective monitoring and enforcement regime are ongoing.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING AND AUDITING STANDARDS

The process of monitoring compliance and the proper application of IFRS (International Financial Reporting Standards) and ISA (International Standards on Auditing) locally are ongoing.

The ICAJ continues to host several IFRS training workshops to assist members and stakeholders in effectively applying the standards. Among the key presenters for the workshops during the year were Mr. Ian Charles, Director of Emile Woolf International and IFRS Specialist. In addition, ICAJ's Accounting Standards and Audit Practice committees continue to monitor compliance with IFRS and ISA while providing guidance to members where necessary.

In recognition of its successful transition to IFRS, ICAJ was commended by IFAC and requested to compile a reference paper, for the benefit of other countries, outlining how it made this transition.

Discussions continue with various stakeholder organisations such as the Bank of Jamaica, Financial Services Commission, Jamaica Stock Exchange and the Jamaica Securities Dealers Association in an effort to address certain regulatory conflicts that have been identified as well as the challenges in complying with IFRS.



ICAJ/IDB TECHNICAL PROJECT

Implementation of activities under the ICAJ/IDB Technical Co-operation Project aimed at ensuring the effective application of and compliance with IFRS and ISA (including strengthening the enforcement and regulatory framework of the local accountancy profession) is proceeding.

Four successful training seminars were hosted under the project in 2005 – three workshops on Improvements to Standards & New IFRS and a seminar on Contracts, Inventories and Taxation. This is in keeping with the objectives of the project that include the development of implementation guides, best practice statements and the training of all accountants to ensure proper application of and compliance with the standards.

A train-the-trainer session was held in January 2005 and the first industry outreach event took place on February 23, 2005 in Montego Bay. The train-the-trainer programme is aimed at developing a cadre of national trainers to support the ongoing education and guidance in international accounting and auditing standards for members of the profession and other stakeholders. More outreach activities and train-the-trainer sessions are being planned for 2006.

CONTINUING PROFESSIONAL EDUCATION

The Institute continues to place strong emphasis on the ongoing training of its members through Continuing Professional Education (CPE) programmes. Seven (7) CPE training events were held during the year. These included five seminars and a series of practical hands-on workshops on IFRS.

Efforts are being made to broaden the scope of CPE training to also meet the accounting and tax-related needs of non-members and other professional groups such as the Jamaican Bar Association and the Medical Practitioners Association.

TRAINING & STUDENT EXAMINATION PERFORMANCE

On the day of our 40th anniversary, January 18, 2005, ICAJ signed a Co-operation Agreement with the University of the West Indies (Mona). The Agreement formally establishes a framework for collaboration aimed at enhancing and maintaining the standard of the UWI MSc. Accounting Programme. In signing the agreement, ICAJ and UWI have committed to plan, review and monitor the MSc. Accounting Programme to ensure that it meets—or exceeds—international accounting education standards promulgated by the International Federation of Accountants.

As at December 2005, there were 4,522 students on the ICAJ/ACCA Joint Scheme Register. The Institute also continues to provide administrative support for 704 Association of Accounting Technicians (AAT) students.

The ICAJ, in collaboration with ACCA, hosted a graduation and awards ceremony on October 22, 2005 to celebrate the success of 97 students who completed the December 2004 and June 2005 sittings of the ICAJ/ACCA Joint Scheme Examinations. A total of 185 students were successful in the Certified Accounting Technician Programme at the June and December 2004 sittings. These students were honoured at a graduation luncheon and awards ceremony held on August 31, 2005.



IMPACT OF THE PROFESSION ON NATIONAL DEVELOPMENT

Efforts are being made to increase ICAJ's contribution to national development. To this end, a national outreach project is being developed in collaboration with the Ministry of Education. The project will involve ICAJ members contributing to Jamaica's educational system by volunteering their time and expertise to train School Bursars islandwide and also to serve on School Boards. The project is expected to come on stream in early 2006.

The Institute continued to make meaningful contributions to the debates on national issues through the staging of two public fora, as well as the publication of articles of public interest in the print media. The first forum, entitled "National Recovery: Can Jamaica Afford It?" was held on March 19, 2005 and facilitated far-reaching discussions on national recovery efforts and their impact on national development.

The second forum, entitled "Corruption & Public Policy: Success or Failure?" was held on September 28, 2005 and focused on corruption and corporate governance within the public sector and the impact of money laundering and financial crimes on Jamaica's economy.

The public fora were well supported by members of the profession, members of the private and public sectors and the general public. The events also received extensive publicity in the local print and electronic media.

The ICAJ Legislation Review Committee continues to work closely with regulatory bodies in the amendment and drafting of relevant legislation and regulations, primarily those affecting the profession. Extensive work was done on proposing amendments to the new Companies Act and proposed regulations for pension funds.

ICAJ President Leighton McKnight was nominated and appointed in April 2005 to chair the newly established Government of Jamaica Audit Commission. The Commission has been established to monitor audit committee activities of all Government Ministries and Departments as well as Executive Agencies.

Following the decision by Government to convert from cash-basis accounting to accrual-basis accounting in preparation for the adoption of International Public Sector Accounting Standards (IPSAS), ICAJ, through its Public Sector Committee, continues to support the public sector in the modernisation of its accounting and financial reporting systems.

The ICAJ has been serving in an advisory role on the Jamaica Chamber of Commerce's Briefing Room Committee, established in 2004 to provide trade-related information to the local business community, including matters relating to the Caribbean Single Market and Economy (CSME). The Institute has also provided support and input for the Private Sector Organisation of Jamaica's (PSOJ) proposed Code on Corporate Governance for Jamaica and a related proposed publication, Guidance on Audit Committees.

REGIONAL & INTERNATIONAL FOCUS

The ICAJ is pleased to have its Past President, Council Member and Future of the Profession Committee Chairman, L. Garth Kiddoe, elected as President of the Institute of Chartered Accountants of the Caribbean (ICAC) following the ICAC's 17th Annual General Meeting held on June 23, 2005 in Belize.



The ICAJ continues to give priority to developments that directly impact the profession, such as the implementation of the Caribbean Single Market (CSM). Also a main focus is the collaboration with other bodies with a view to strengthening the accountancy profession in the region. The ICAJ has also been working with the ICAC to harmonise qualifications for entry into the profession in order to facilitate the mobility of accountants, whether as employees or as practitioners.

MEMBERSHIP

The recruitment of new members remains a major priority. Through the Institute's membership drive, total membership increased from 823 (inclusive of members in retirement) as at December 2004, to 876 (inclusive of our members in retirement) at December 2005.

Recognising that greater attention needs to be given to the welfare of members, a Members' Welfare Committee has been established to formulate strategies aimed at meeting the non-professional needs of new, existing and retired members.



TRINIDAD & TOBAGO

During the year, the Institute continued to improve, update and populate its website to ensure that members and the general public are able to access the Institute's information.

In January 2005, we had an IFRS consultation on SMEs presented by David Raggay, representative of the IASB Board. In March, we hosted a Tax Workshop on Income Tax, Corporation Tax and VAT. Our membership drive was conducted in November. ACCA and ICATT joint graduation for CAT and ACCA graduations were held on July 9th and October 29th. ACCA professional and CAT examinations were held during the months of June and December. ICAC held its Annual conference on June 23-25, 2005 in Belize. ICATT's Bursary Award presentation was made in October. Some of our major activities during the year were:

STRATEGY WORKSHOP

On September 3, 2005 ICATT held its Strategic Planning Workshop at the Kapok Hotel. Present at the workshop were some of ICATT's council members including the President and Corporate Secretary. The workshop was facilitated by Jewan Ramcharitar, Managing Director of PricewaterhouseCoopers Management Consultants Limited. In addition, a presentation of the results of the workshop was made to Council members on September 7, 2005.

The main objectives of the Strategic Planning Workshop were:

- To develop the Vision for the long term development of ICATT;
- To define and understand the framework essential for the success of ICATT;
- For ICATT's leadership and key stakeholders to perform and own this exercise;
- To achieve consensus, buy-in and commitment through shared ideas and dialogue.

ACCOUNTANTS' WEEK 2005

Accountants' Week was held during the period November 14-18, 2005 and on November 25, 2005.

The week's activities included the publication of a supplement in the *Trinidad Guardian* on Sunday 13th November, 2005. Several interesting articles were published by my colleagues and stakeholders.

Our Accountants' Week is aimed at profiling the Institute in order to increase the membership. There are approximately 1600 graduate members and members of other bodies who are entitled to membership in ICATT.

ICATT would benefit enormously both financially and otherwise from having a larger talent pool which to draw from if most of these qualified accountants became members of ICATT.

As accounting professionals, we have the tremendous responsibility to ensure that the ethics and integrity of our members are of the highest standards following the global accounting scandals. In seeking to ensure that this does not occur on the local arena, we seek to educate our members in the areas of:

- (i) Changes In Tax Legislation – Impact on the business community
- (ii) Anti-Money Laundering and Accounting in the New Millennium, covering areas of Governance, Accountability and Performance
- (iii) On the hard issue of soft skills, we had an interesting communication skills seminar on Difficult Conversations.
- (iv) Breakfast meeting – The Governor of Central Bank of Trinidad and Tobago was the guest speaker and he spoke on the topic of Savings and Investment

We culminated the week with cocktails for our fellow colleagues and friends.

THE IADB PROJECT UNDERTAKEN BY ICATT

In March 2003, The Institute of Chartered Accountants received a grant from the Multilateral Investment Fund administered by the Inter American Development Bank. The overall objective of this project is to strengthen the accounting profession in Trinidad and Tobago. The purpose of the project is to improve the usefulness of the annual financial statements of business entities in Trinidad and Tobago by providing investor-desired qualities of transparency, reliability and comparability. Total estimated cost of the project is USD\$1,015,000.

To date, more than USD\$250,000 has been invested in this project. In 2005, ICATT hired a consultant to embark on a Training Needs Assessment which will assist the Institute in the elimination of any technical skills gap which will impede the universal application of and compliance with International Financial Reporting and Auditing Standards in Trinidad and Tobago. The ICATT council held two strategic planning sessions in September, 2005 and the Institute held several workshops on relevant international accounting standards and international standards in auditing such as Taxation, Governance, Accountability and Performance, Consultation on applicability of IFRSs to SME's in Trinidad and Tobago. In keeping with the objectives of the project, a joint membership drive was undertaken with ACCA in November, 2005. The project contributed to the funding of a representative from Trinidad and Tobago to attend several SME seminars in London, Geneva and Argentina.

2006 ACTIVITIES

The following consultancies will begin under the IDB project: Implementation and application of IFRSs, Enforcement of IFRSs and ISAs – under this consultancy, a framework for compliance issues will be developed. A Members' Needs Assessment will be embarked upon to be followed by a new Strategic Plan. Projected expenditure for 2006 is USD\$436,122

ICATT proposes to host a Tax Workshop in May. The ACCA and CAT examinations are scheduled for the months of June and December and ACCA/ICATT joint graduations are expected to be held during the months of April and September. ICAC conference is carded for June 8-10, 2006 in Barbados. Our highlight for the year is Accountants' Week and this usually takes place in November. In addition to these events, we plan to host a few training and development CPD courses during the year. We are focusing on improving our membership benefits and increasing our membership in 2006. We believe that the members are the reason for our existence, and every effort will be made to improve the quality of membership service delivered to them.

PICTORIAL REVIEW 2005



ICAC President, Mr. Elson Jordan, delivering the welcome remarks at the opening ceremony for the 24th Caribbean Conference of Accountants in Belize.



The launching of the ICAC flag by Mr. Elson Jordan and witnessed by Mr. Rene Villanueva, the Minister of Tourism, (right) and all Directors in attendance at the opening ceremony.



A local band entertains the delegates during the Conference's welcome reception.



Spouses making their way to cottages on the Blue Morpho Butterfly farm housing a number of butterfly specimens' which are native of Belize.



An employee of the Blue Morpho Butterfly Farm illustrates to spouses, the life cycles of the Belizean, Blue Morpho butterfly.



Ms. Brenda Lee Tang, Acting Head of Corporate Development-ACCA Caribbean, enjoying a conversation with a delegate at the President's Gala and Cultural Fest.





Newly elected President, Mr. Garth Kiddoe, makes his inaugural speech at the President's Gala.



Conference Chairman, Mr. Mark Hulse engages in a conversation with attendees at the President's Gala.



Delegates enjoying the atmosphere created at the Cocktail Reception.



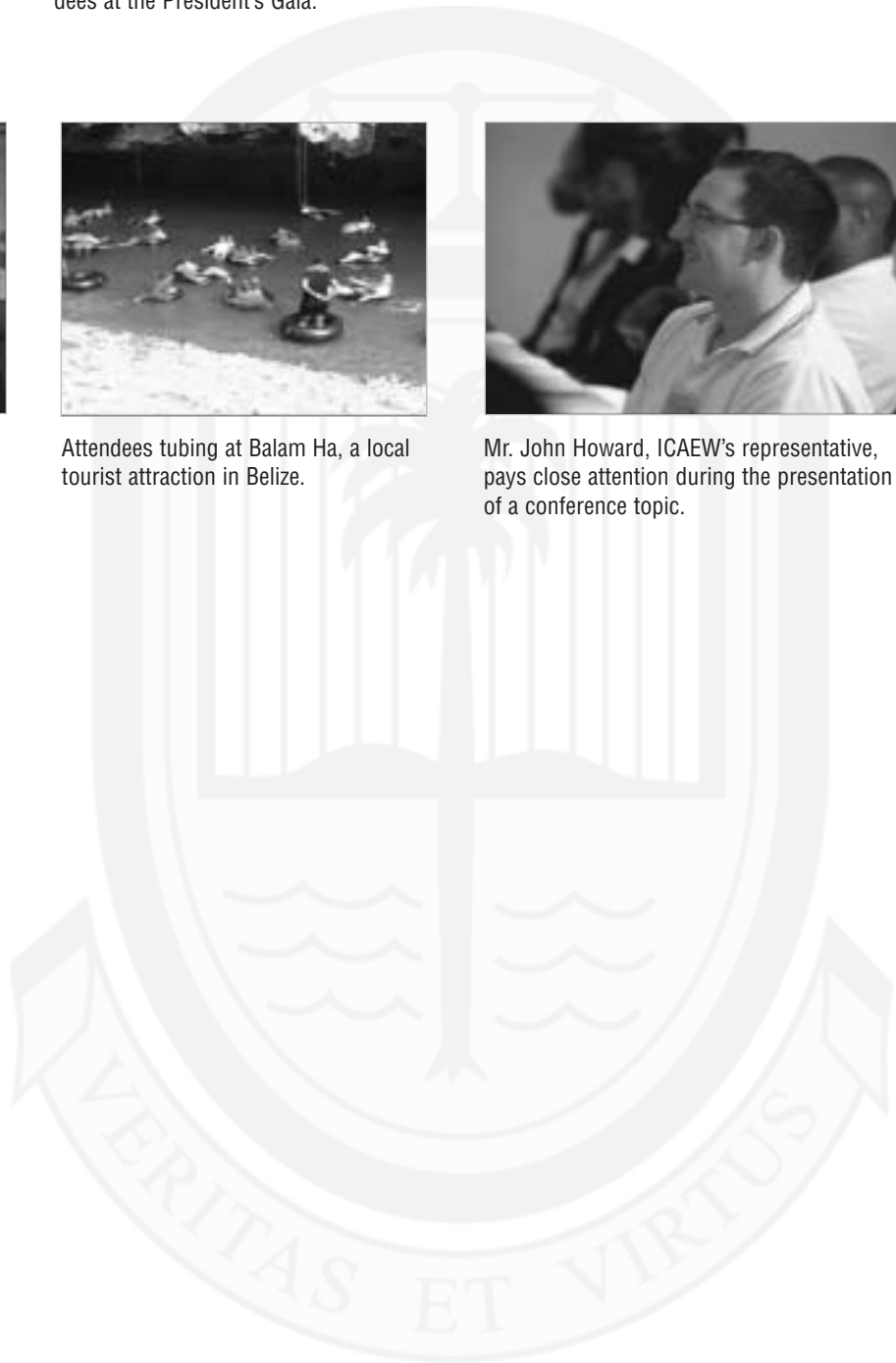
Belize's cultural performers entertain delegates at the Belizean Cabaret that gave the history of the Maya Indians, the arrival of the Africans, the German & Dutch Mennonites, Chinese and Arabs; thus depicting the country as a melting pot of many races.



Attendees tubing at Balam Ha, a local tourist attraction in Belize.



Mr. John Howard, ICAEW's representative, pays close attention during the presentation of a conference topic.



INSTITUTE OF CHARTERED ACCOUNTANTS OF THE CARIBBEAN MEMBERSHIP OF REGIONAL INSTITUTES
THE INSTITUTE OR ASSOCIATION OF CHARTERED ACCOUNTANTS OF:

POSITION	ICAC	BAHAMAS	BARBADOS	BELIZE	GUYANA	JAMAICA	ICAEAC	T&T
PRESIDENT	L. Garth Kiddoe	Kendrick Christie	Brian Robinson	Roy Pandy	Rameshwar Lal	Leighton McKnight	Anthony Atkinson	Angela Lee Loy
VICE-PRESIDENT	Angela Lee Loy	L. Sydney Saunders	Patrick Hinkson	Brett Feinstein	Khaili Alli	Prunella Vassell	Erwin Southwell	Sean Ramirez
SECRETARY	Harryram Parmesar	Milford Lockhart	Rueben Blenman	Claude Burrell	Colin Thompson	Victor Markman	Frank Myers	Cynthia Kidney-Lyons
TREASURER	Brian Robinson	Lambert Longley	Andrew Brathwaite	Giacomo Sanchez	Troy Beharry	Archibald Campbell	Marcella Lans-Monish	*** Richard Roach
DIRECTOR	Eison Jordan		Betty Brathwaite	Giacomo Sanchez	Harryram Parmesar	Mr. Garth Kiddoe	James Simpson	R. Bob Gopee, Chairman Membership Committee
DIRECTOR	Kendrick Christie		Michael Edgehill		Christopher Ram	Vintoria Bernard	Cleveland Seaforth	Kyle Rudden, Chairman Investigations Committee
DIRECTOR	Donald Thompson		Jefferson Hunte		Ronald Alli	Dennis Brown		Nicole Richards-Lawrence, Chairman Taxation C'ttee
DIRECTOR	Giacomo Sanchez		Carol Nicholls		Paul Chan-A Sue	Patrick Chin		Dexter Daniel, Chairman Education Committee
DIRECTOR	Cleveland Seaforth		Winsmore Humphrey			Dennis Chung		Richard Roach, Chairman Finance & Administration
DIRECTOR	Frank Myers		David Simpson			Martin Gooden		Anthony Pierre, Chairman Legislation Committee
DIRECTOR	Michael Sleigh (ACCA)		Michael Carrington			Linroy Marshall		Prem Samodee, Chairman Rules and Constitution
DIRECTOR	Lyles Handfield (OGA)		Marlon Yarde			Carey Metz		Haseeb Mohammed, Chairman, Accounting & Auditing Standards
DIRECTOR	John M. Howard (ICAEW)					Ann-Marie Rhoden		Garvin Franci Lau, Chairman, Disciplinary Committee
DIRECTOR	Cheryl Gardner (CEO)							



Brian Robinson

TREASURER'S OVERVIEW

Given the relatively fixed subscription income and expense base, ICAC has recorded the fourth consecutive operating loss during the year, despite some gains realized from joint seminars held in the fourth quarter. At the end of 2005, accumulated losses had eroded all previously accumulated surpluses and for the first time ICAC is reporting an accumulated deficit.

As this situation was deemed unsustainable by the Board, a decision was made to increase the subscription fees effective January 1, 2006 from US\$15.00 per member to US\$17.50. In addition, extra effort is planned to ensure that the annual conference continues to generate its necessary financial contribution. Member territories must also actively encourage chartered accountants in the region to become members of their local Institutes, hence broadening the ICAC membership base.

Expenses for the year increased marginally over the 2004 levels. Significant fluctuations in expense categories include additional costs incurred for the strategic planning session held in Barbados in October which were offset by savings of printing and stationery costs. The latter as a result of the Board's decision to reduce the number of printed copies of the annual report.

The Institute has complied with all its statutory contributions and annual returns filing are current.

The major focus for ICAC in the upcoming year is expected to be:

the proposed IDB/MIF regional project where ICAC has agreed to co-ordinate the implementation of activities specific to the region; and

the ACCA lead Caribbean Regional Monitoring Programme.

The financial implications of these projects will be monitored to ensure that the existing cash reserves accumulated as a development fund are appropriately managed.

ANNUAL 2005 REPORT

INSTITUTE OF CHARTERED ACCOUNTANTS OF THE CARIBBEAN



FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2005

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Mair Russell Grant Thornton 

Chartered Accountants

AUDITORS' REPORT
TO THE MEMBERS OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN

We have audited the accompanying balance sheet of The Institute of Chartered Accountants of the Caribbean as of December 31, 2005, and the related income statement, statements of changes in reserves and cash flows for the year then ended and have received all the information and explanations which we considered necessary. These financial statements are the responsibility of the Institute's Directors and management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements which are in agreement therewith, give a true and fair view of the state of the Institute's affairs as at December 31, 2005, and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act.



CHARTERED ACCOUNTANTS

May 16, 2006

Kingston
 3 Houghton Ave.
 Kingston 10
 Jamaica
 West Indies
 Tel. + 1 (876) 926-2587, 926-4513
 (876) 929-9167, 929-2783
 Fax + (876) 929-2076
 E-mail: mairp@ojajamaica.com

Montego Bay
 56 Market Street
 Montego Bay
 Jamaica
 West Indies
 T 1 876 952-2888
 F 1 876 971-5836
 E mpgmbay@ojajamaica.com

Member of Grant Thornton International

Partners: Kenneth L. Lewis
Monica E. Francis, Saba P. Coy

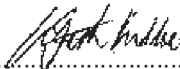
STATEMENT II

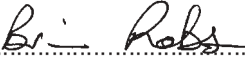
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF THE CARIBBEANBALANCE SHEETDECEMBER 31, 2005

	Note	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
ASSETS			
Non-current assets			
Equipment	(4)	1,861	2,332
Deferred tax	(12)	<u>664</u>	<u>304</u>
		<u>2,525</u>	<u>2,636</u>
Current assets			
Taxation recoverable		4,039	3,583
Membership dues and other receivables	(5)	5,398	28,699
Cash and cash equivalents	(6)	<u>55,948</u>	<u>45,984</u>
		<u>65,385</u>	<u>78,266</u>
Total assets		<u>67,910</u>	<u>80,902</u>
RESERVES AND LIABILITIES			
Reserves			
Development fund	(7)	45,579	45,579
Administrative assistance development fund	(8)	14,837	10,740
Accumulated (deficit)/surplus		<u>(7,485)</u>	<u>7,632</u>
		<u>52,931</u>	<u>63,951</u>
Current liabilities			
Accruals	(9)	14,979	16,352
Owing to member	(10)	<u>-</u>	<u>599</u>
		<u>14,979</u>	<u>16,951</u>
Total reserves and liabilities		<u>67,910</u>	<u>80,902</u>

The attached notes on Statement VI form an integral part of these financial statements.

Approved for issue by the Board of Directors on May 16, 2006 and signed on their behalf by:


.....) PRESIDENT
MR. GARTH KIDDOE


.....) TREASURER
MR. BRIAN ROBINSON

STATEMENT III

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2005

	<u>Note</u>	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Revenue	(3)		
Subscriptions		44,849	47,715
Annual conference and seminars		16,653	16,017
Interest		<u>2,175</u>	<u>3,301</u>
		63,677	67,033
Administrative and other expenses		(74,121)	(70,929)
Deficit from operations		(10,444)	(3,896)
Finance costs		(936)	(3,414)
Net development costs	(7)	<u>-</u>	<u>(1,500)</u>
Deficit for the year before transfers and tax		(11,380)	(8,810)
Transfer from development fund	(7)	-	1,500
Transfer to administrative assistance development fund	(3j & 8)	<u>(4,097)</u>	<u>(4,673)</u>
Deficit for the year before tax	(11)	(15,477)	(11,983)
Income taxes	(12c (i))	<u>360</u>	<u>(87)</u>
Deficit after tax		<u>(15,117)</u>	<u>(12,070)</u>

The attached notes on Statement VI form an integral part of these financial statements.

STATEMENT IV

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED DECEMBER 31, 2005

	<u>Development fund</u> <u>US\$</u>	<u>Administrative assistance development fund</u> <u>US\$</u>	<u>Accumulated surplus/(deficit)</u> <u>US\$</u>	<u>Total</u> <u>US\$</u>
Balance at December 31, 2003 as restated	<u>47,079</u>	<u>6,067</u>	<u>19,702</u>	<u>72,848</u>
Transfer to Income Statement (Note 7)	(1,500)	-	-	(1,500)
Transfer from Income Statement (Note 8)	-	4,673	-	4,673
Deficit for year 2004	<u>-</u>	<u>-</u>	<u>(12,070)</u>	<u>(12,070)</u>
Total recognised income and expenses for year 2004	<u>(1,500)</u>	<u>4,673</u>	<u>(12,070)</u>	<u>(8,897)</u>
Balance at December 31, 2004	<u>45,579</u>	<u>10,740</u>	<u>7,632</u>	<u>63,951</u>
Transfer from Income Statement (Note 8)	-	4,097	-	4,097
Deficit for year 2005	<u>-</u>	<u>-</u>	<u>(15,117)</u>	<u>(15,117)</u>
Total recognised income and expenses for year 2005	<u>-</u>	<u>4,097</u>	<u>(15,117)</u>	<u>(11,020)</u>
Balance at December 31, 2005	<u>45,579</u>	<u>14,837</u>	<u>(7,485)</u>	<u>52,931</u>

The attached notes on Statement VI form an integral part of these financial statements.

STATEMENT V

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2005

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Cash flows from operating activities:		
Deficit for the year before transfers and tax	(11,380)	(8,810)
Adjustments for:		
Interest income	(2,175)	(3,301)
Depreciation	<u>471</u>	<u>615</u>
	(13,084)	(11,496)
Decrease/(increase) in membership dues and other receivables	23,282	(14,105)
Decrease in accruals	(1,373)	(9,219)
Decrease in owing to members	<u>(599)</u>	<u>(900)</u>
Net cash generated from/(used in) operations	8,226	(35,720)
Income taxes paid	<u>(456)</u>	<u>(830)</u>
Net cash provided by/(used in) operating activities	<u>7,770</u>	<u>(36,550)</u>
Cash flows from investing activities:		
Purchase of equipment	-	(130)
Interest received	<u>2,194</u>	<u>3,355</u>
Net cash provided by investing activities	<u>2,194</u>	<u>3,225</u>
Net increase/(decrease) in cash and cash equivalents	9,964	(33,325)
Cash and cash equivalents at beginning of year	<u>45,984</u>	<u>79,309</u>
Cash and cash equivalents at end of year (Note 6)	<u>55,948</u>	<u>45,984</u>

The attached notes on Statement VI form an integral part of these financial statements.

STATEMENT VI

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

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 nine (9) (2004 - nine (9)) member institutes from the Caribbean and three (3) affiliated institutes from Non-Caribbean territories. The liability of member institutes is limited to J\$1 each.

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.

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 and Planning to prepare and present its financial statements in United States Dollars.

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

2. ADOPTION OF STANDARDS, INTERPRETATIONS AND AMENDMENTS

- (i) Standards, interpretations and amendments to published standards that are in effect

In 2003 and 2004 the International Accounting Standards Board issued certain new standards and interpretation as well as amendments to existing standards, which became effective in 2005. The Institute has assessed the relevance of the new standards, interpretations and amendments and has adopted and applied as of January 1, 2005 those standards, which are relevant to its operations. The standards applied are the following:

IAS 1 (Revised 2003)	Presentation of Financial Statements.
IAS 8 (Revised 2003)	Accounting Policies, Changes in Accounting Estimates and Errors.
IAS 10 (Revised 2003)	Events after the Balance Sheet Date.
IAS 16 (Revised 2003)	Property, Plant and Equipment
IAS 21 (Revised 2003)	The Effects of Changes in Foreign Exchange Rates.
IAS 24 (Revised 2003)	Related Party Disclosures.
IAS 32 (Revised 2003)	Financial Instruments: Disclosure and Presentation.
IAS 39 (Revised 2004)	Financial Instruments: Recognition and Measurement.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

2. ADOPTION OF STANDARDS INTERPRETATIONS AND AMENDMENTS (CONT'D)

- (i) Standards, interpretations and amendments to published standards that are in effect (cont'd)

All standards adopted by the Institute require retrospective application, other than the provision in IAS 39 relating to the de-recognition of financial assets, which is applied prospectively.

The adoption of these standards has resulted in increased disclosures. However, there was no impact on opening reserves or comparative figures as a result of the adoption of the above-mentioned standards.

- (ii) Standards, interpretations and amendments to published standards that are not yet effective.

Certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective at the balance sheet date, and which the Institute has not early adopted. The Institute has assessed the relevance of all such new standards, interpretations and amendments and has determined that the adoption of those standards will not result in any significant changes to the Institute's accounting policies in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

- (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention.

- (b) Use of estimates and judgements

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 are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates.

The main source of estimation relates to estimation in the useful life of equipment. In addition, estimates are required in the provision of income tax and deferred tax. There are no significant judgements that management has made in the process of applying the accounting policies and that have a significant effect on the amounts recognised in the financial statements.

In addition, there are no significant sources of estimation uncertainty at balance sheet date, that have a significant risk of causing a material adjustment of the carrying amounts of assets and liabilities within the next financial year.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 furniture and office equipment.

(d) Foreign currency

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

Fixed assets	-	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) Membership dues and other receivables

Membership dues and other receivables are stated at their nominal value.

(f) Cash and cash equivalents

Cash and cash equivalents consist of current and savings account balances, short-term deposits with maturity dates of three (3) months or less and petty cash.

(g) Accruals

Accruals are stated at their nominal value.

(h) Owing to member

Owing to member is stated at its nominal value.

(i) Development fund

Effective 2003, the Institute decided to transfer an amount representing twenty-five percent (25%) of its current year's profit up to a maximum of \$10,000 per year to a development fund. (Note 7).

(j) Administrative assistance development fund

The Institute reserves 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 is used to assist small territorial institutes in the development of the accountancy profession in their territories. (Note 8).

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

i. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Fair value of financial instruments

Financial assets and financial liabilities are recognised in the Institute's balance sheet when it has become a party to the contractual provisions of the instruments.

The financial instruments carried in the balance sheet are membership dues and other receivables, cash and cash equivalents, accruals and owing to members.

The carrying values of financial instruments are considered to approximate to fair value.

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

(l) Revenue recognition

Revenue represents membership dues, income from conferences and seminars and income from short-term investments. Revenue is recognised when contractual provisions to which the Institute is a party to, come into effect.

(m) Taxation

Income taxes comprise current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the 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 profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized 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.

Taxation is calculated under the mutuality principle in respect of income derived from transactions with members. In consequence, only a portion of its income is taxed and also only a portion of its expenses including capital allowances is set off in the income tax computation.

STATEMENT VI
-Continued-

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

4. FURNITURE AND OFFICE EQUIPMENT COMPRISE:

	<u>Furniture and office equipment</u>
	<u>US\$</u>
Gross carrying amount	14,257
Accumulated depreciation	<u>(11,515)</u>
Carrying amount at January 1, 2004	<u>2,742</u>
Gross carrying amount	14,462
Accumulated depreciation	<u>(12,130)</u>
Carrying amount at December 31, 2004	<u>2,332</u>
Gross carrying amount	14,462
Accumulated depreciation	<u>(12,601)</u>
Carrying amount at December 31, 2005	<u>1,861</u>

The carrying amount for equipment for the years included in these financial statements as at December 31, 2005 are reconciled as follows:

	<u>US\$</u>
Carrying amount at January 1, 2004	2,742
Additions	205
Depreciation	<u>(615)</u>
Carrying amount at December 31, 2004	2,332
Depreciation	<u>(471)</u>
Carrying amount at December 31, 2005	<u>1,861</u>

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

5. MEMBERSHIP DUES AND OTHER RECEIVABLES

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Membership dues	3,600	2,445
Interest receivable	16	35
The Institute of Chartered Accountants of St. Lucia re 2004 conference	-	16,017
The Institute of Chartered Accountants of Belize re 2005 conference	-	10,000
The Institute of Chartered Accountants of St. Kitts/Nevis re Joint Seminar	846	-
Other	<u>936</u>	<u>202</u>
	<u>5,398</u>	<u>28,699</u>

Included in other above, is an amount of US\$601 due from key management personnel.

6. CASH AND CASH EQUIVALENTS

	<u>Interest rate % p. a.</u>	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Short-term deposits:			
Pan Caribbean Merchant Bank Limited US\$ deposits	4.3	<u>14,887</u>	<u>29,573</u>
		<u>14,887</u>	<u>29,573</u>
Bank and cash:			
J\$ current account balance with RBTT Bank of Jamaica Limited (J\$500,345 (2004 – J\$138,874))	1 – 2.5	6,812	2,355
US\$ savings account balance with RBTT Bank of Jamaica Limited	2.75	21,027	14,030
Cash in hand		<u>13,222</u>	<u>26</u>
		<u>41,061</u>	<u>16,411</u>
		<u>55,948</u>	<u>45,984</u>

STATEMENT VI

-Continued-

THE INSTITUTE OF CHARTERED ACCOUNTANTS OFTHE CARIBBEANNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 2005

7. 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 3i). The movement on the fund is as follows:

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Balance at beginning of year	45,579	47,079
Less: Transfer to Income Statement:		
Income/(expense) for current year:		
Rebate received on consultant fees charged in prior year	-	3,500
Consultant's fees charged for current year	<u>-</u>	<u>(5,000)</u>
	<u>-</u>	<u>(1,500)</u>
Balance at end of year	<u>45,579</u>	<u>45,579</u>

8. 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 3j). The movement on the fund is as follows:

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Balance at beginning of year	10,740	6,067
Add: Transfer from Income Statement:		
Amount reserved from surplus realised from annual conference (Note 3 (i))	<u>4,097</u>	<u>4,673</u>
Balance at end of year	<u>14,837</u>	<u>10,740</u>

9. ACCRUALS

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Professional fees	5,000	8,000
Payroll taxes	5,327	4,326
Auditors' honorarium	2,000	4,026
Utilities	665	-
Conference/meeting expenses	452	-
Health insurance	693	-
Other	<u>842</u>	<u>-</u>
	<u>14,979</u>	<u>16,352</u>

THE INSTITUTE OF CHARTERED ACCOUNTANTS OFTHE CARIBBEANNOTES TO FINANCIAL STATEMENTSYEAR ENDED DECEMBER 31, 2005

10.	OWING TO MEMBER		
		<u>2005</u>	<u>2004</u>
		<u>US\$</u>	<u>US\$</u>
	Member prepaid dues	-	599
		<u>-</u>	<u>599</u>
11.	DEFICIT FOR THE YEAR BEFORE TAX		
	Deficit for the year before tax is stated after charging/(crediting):		
		<u>2005</u>	<u>2004</u>
		<u>US\$</u>	<u>US\$</u>
	Key management compensation	34,160	33,934
	Depreciation	471	615
	Honorarium to auditors	1,000	1,000
	Loss on foreign exchange	740	2,877
	Interest income	<u>(2,175)</u>	<u>(3,301)</u>
12.	INCOME TAXES		
(a)	Deferred taxes are calculated on all temporary differences under the liability method using a tax rate of 33½%. The movement on the deferred tax account is as follows:		
		<u>2005</u>	<u>2004</u>
		<u>US\$</u>	<u>US\$</u>
	Deferred tax asset		
	Balance at beginning of year	304	321
	Add: Income/(expense) during the year (Note 12c (i))	<u>360</u>	<u>(17)</u>
	Balance at end of year	<u>664</u>	<u>304</u>
	Deferred tax balance arose on temporary differences in respect of:		
		<u>2005</u>	<u>2004</u>
		<u>US\$</u>	<u>US\$</u>
	Deferred tax asset on:		
	Unused tax loss carried forward	112	-
	Equipment	<u>557</u>	<u>315</u>
		<u>669</u>	<u>315</u>
	Deferred tax liability on:		
	Interest receivable	<u>(5)</u>	<u>(11)</u>
		<u>(5)</u>	<u>(11)</u>
	Net deferred tax asset	<u>664</u>	<u>304</u>

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

12. INCOME TAXES (CONT'D)

- (b) 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. The Institute had applied to the Commissioner of Taxpayer Audit and Assessment to obtain the exempt status. The application was denied on the basis that documents submitted did not clearly specify objects that would satisfy the relevant section of the Income Tax Act.

The Institute is in the process of securing appropriate documentation to submit to the Commissioner of Taxpayer Audit and Assessment to obtain the exempt status. Provision has been made in these financial statements for tax liability under the mutuality principle.

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

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Current tax charge	-	(70)
Deferred tax income/(expense) (Note 12a):		
Unused tax losses	112	-
Origination and reversal of temporary differences	<u>248</u>	<u>(17)</u>
	<u>360</u>	<u>(17)</u>
	<u>360</u>	<u>(87)</u>

- (ii) Subject to the agreement of the Commissioner of Taxpayer Audit and Assessment Department, a loss of approximately US\$337 (2004 – nil) is available to be set off against future taxable profits. This loss, if not utilised, will be carried forward indefinitely.

- (iii) Reconciliation of theoretical tax charge to effective tax charge:

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Deficit before taxation	<u>11,380</u>	<u>8,810</u>
Tax at 33 $\frac{1}{3}$ %	3,793	2,937
Tax effect of expenses not deductible for tax purposes	(23,024)	(23,176)
Tax effect of exempt income	19,587	20,144
Tax effect of capital allowances	<u>4</u>	<u>8</u>
Tax income/(expense) for the year (Note 12c (i))	<u>360</u>	<u>(87)</u>

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

13. EMPLOYEE BENEFITS

Employee benefits comprise:

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
Salaries	39,009	37,680
Medical and other benefits	3,869	4,098
Training and development	<u>171</u>	<u>-</u>
	<u>43,049</u>	<u>41,778</u>

14. 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 and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate 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 value of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

At balance sheet date there were net assets of approximately J\$12,972 (2004-net liabilities J\$254,031) and BD\$198 which were subject to foreign exchange rate changes. These net assets/liabilities are payable/receivable in J\$ and BD\$, respectively.

(ii) Interest rate risk

Interest rate risk is the risk that the value 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-earning assets closely and procuring the most advantageous interest 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 periods of three (3) months or less at fixed interest rates and are not affected by fluctuations in market interest rates up to the dates of maturity. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates. (Note 6).

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
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YEAR ENDED DECEMBER 31, 2005

14. RISK MANAGEMENT POLICIES (CONT'D)

(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 raising funds to meet its commitments associated with financial instruments.

The Institute manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. At balance sheet date, liquid and near liquid assets exceeded current liabilities by US\$46,367 (2004 - US\$57,732).

(d) Cash flow interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Institute faces exposure to cash flow interest rate risk in respect of its cash and cash equivalents as follows:

Short-term deposits with a fixed interest rate of 4.3% per annum. Interest rate is fixed up to the maturity date of January 24, 2006.

Bank balances - interest rates fluctuate according to prevailing levels of market interest rates and as such may increase or decrease interest margin in the next financial year.

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AUDITORS' REPORT TO THE DIRECTORS OF
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ADDITIONAL INFORMATION

The additional information presented on page 2 has been taken from the accounting records of the Institute and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the Institute for the year ended December 31, 2005.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole although it is not necessary for a fair presentation of the state of the Institute's affairs as of December 31, 2005 or of the results of its operations or its cash flows for the year then ended.

Mair Russell Grant Thornton



CHARTERED ACCOUNTANTS

Kingston, Jamaica
May 16, 2006

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
THE CARIBBEAN
DETAILED INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2005

	<u>2005</u> <u>US\$</u>	<u>2004</u> <u>US\$</u>
REVENUE		
Subscriptions	44,849	47,715
Annual conference and seminars	16,653	16,017
Interest	<u>2,175</u>	<u>3,301</u>
	<u>63,677</u>	<u>67,033</u>
LESS: ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, wages and related expenses	39,009	37,680
Medical and other employee benefits	3,869	4,098
Training and development	171	-
Depreciation	471	615
Insurance	125	161
Postage and delivery	856	1,185
Professional fees	545	346
Rent and maintenance	4,224	4,084
Printing and stationery	5,983	11,418
Annual returns filing fee	77	62
Annual conference and seminars	5,394	2,259
Board meetings and retreats	5,130	588
Utilities	4,968	5,263
Travelling and entertainment	472	612
Repairs and maintenance - equipment	1,018	615
Office and miscellaneous expense	197	106
Honorarium to auditors	1,000	1,000
Website expense	<u>612</u>	<u>837</u>
	<u>74,121</u>	<u>70,929</u>
FINANCE COSTS		
Loss on foreign exchange	740	2,877
Bank charges	<u>196</u>	<u>537</u>
	<u>936</u>	<u>3,414</u>
OPERATING DEFICIT FOR THE YEAR	(11,380)	(7,310)
Net development costs	<u>-</u>	<u>(1,500)</u>
DEFICIT FOR YEAR BEFORE TRANSFERS	(11,380)	(8,810)
Transfer from development fund	-	1,500
Transfer to administrative assistance fund	<u>(4,097)</u>	<u>(4,673)</u>
DEFICIT FOR THE YEAR	<u>(15,477)</u>	<u>(11,983)</u>