Mair Russell
Grant Thornton

Public Accountancy Board

Financial Statements
March 31, 2019

Contents

Mair Russell
Grant Thornton

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Independent auditor's report

To the Members of
Public Accountancy Board

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Public Accountancy Board ("the Board") which comprise the statement of financial position as at March 31, 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Board as at March 31, 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Public Accountancy Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended March 31, 2018 were audited by another Auditor who expressed an unmodified opinion on those statements on July 16, 2018.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report (cont'd)

To the Members of
Public Accountancy Board

Report on the Audit of the Financial Statements

Responsibilities of Management and Those Charged with Governance for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are require

Mair Russell Grant Thornton

Independent auditor's report (cont'd)

To the Members of
Public Accountancy Board

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Public Bodies Management and Accountability Act and the Financial Administration and Audit Act (the "Act").

The Engagement Partner on the audit resulting in this independent auditor's report is Mr. Sixto Coy.

Kingston, Jamaica

July 31, 2019

Mair Russell Grant Thornton
Chartered Accountants

Statement of financial position
March 31, 2019

	Note	2019 $	2018 $
Assets			
Non-current assets			
Property, plant and equipment	(4)	**17,139**	22,406
		17,139	22,406
Current assets			
Membership fees and other receivables	(5)	**9,132,170**	7,126,220
Cash and cash equivalents	(6)	**3,791,224**	6,204,583
		12,923,394	13,330,803
Total assets		**12,940,533**	13,353,209
Reserves and liabilities			
Reserves			
Accumulated fund		**10,343,769**	10,743,709
		10,343,769	10,743,709
Current liabilities			
Payables and accruals	(7)	**2,596,764**	2,609,500
		2,596,764	2,609,500
Total reserve and liabilities		**12,940,533**	13,353,209

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

Approved for issue by the Board of Directors on July 31, 2019 and signed on its behalf by:

______________) Acting President
Linval Freeman

______________) Registrar
Compton Rodney

Statement of profit or loss and other comprehensive income Year ended March 31, 2019

	Note	2019 $	2018 $
Revenue			
Practising Certificate fees	(3)	**12,266,585**	12,007,603
Registration and Application fees		**105,000**	175,000
ICAJ Contribution to Monitoring Programme	(8)	**614,415**	602,910
Interest and other income	(9)	**19,187**	107,212
		13,005,187	12,892,725
Expenses			
Auditor's remuneration		**(403,080)**	(300,000)
Administrative and other expenses	(10)	**(12,964,945)**	(13,839,464)
Finance costs		**(37,102)**	(41,637)
Net loss for the year being total comprehensive loss for the year		**(399,940)**	(1,288,376)

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

Statement of changes in Accumulated Fund
Year ended March 31, 2019

	Accumulated Surplus $
Balance at March 31, 2017	12,032,085
Net loss being total comprehensive loss for the year	(1,288,376)
Balance at March 31, 2018	10,743,709
Net loss being total comprehensive loss for the year	(399,940)
Balance at March 31, 2019	**10,343,769**

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

Statement of cash flows
Year ended March 31, 2019

	Note	2019 $	2018 $
Cash flows from operating activities:			
Loss for the year		**(399,940)**	(1,288,376)
Adjustments for:			
Depreciation		**5,267**	5,239
Interest income earned		**(19,187)**	(31,896)
		(413,860)	(1,315,033)
Increase in current assets			
Membership fees and other Receivables		**(2,005,950)**	(2,105,889)
(Decrease)/increase in current liabilities			
Payables and accruals		**(12,736)**	434,500
Cash used in operations		**(2,432,546)**	(2,986,422)
Interest received		**19,187**	31,896
Net cash used in operating activities		**(2,413,359)**	(2,954,526)
Cash flows from investing activities:			
Investments		**-**	1,028,000
Net cash flows provided by investing activities		**-**	1,028,000
Net decrease in cash and cash equivalents		**(2,413,359)**	(1,926,526)
Cash and cash equivalents at beginning of year		**6,204,583**	8,131,109
Cash and cash equivalents at end of year	(9)	**3,791,224**	6,204,583

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

Notes to the financial statements
March 31, 2019

1. Identification

The Public Accountancy Board ("the Board"), was established by Act of Parliament 34, of 1968 for the main purpose of promoting, in the public interest, acceptable standards of professional conduct among registered public accountants in Jamaica. The most recent amendments to the Act were made on March 25, 2004. The Board is domiciled in Jamaica, with its registered office at 30 National Heroes Circles, Kingston, Jamaica, West Indies.

The main function of the Board is to promote in the public interest, acceptable standards of professional conduct among registered public accountants in Jamaica.

2. Summary of significant accounting policies

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities.

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

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

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

Depreciation and amortisation of property, plant and equipment and intangible assets

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

b Standards, interpretations and amendments to published standards effective in the current year

Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and have adopted the following:

2. Summary of significant accounting policies (cont'd)

b Standards, interpretations and amendments to published standards effective in the current year (cont'd)

IFRS 9 'Financial Instruments'
IFRS 9 replaces IAS 39 'Financial Instruments' Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and liabilities introduces an 'expected credit loss' model for the impairment of financial assets that replaces the current incurred loss impairment model.

The standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

IFRS 9 introduces a new model for the recognition of impairment losses - the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. Receivables classified under financial asset are the most affected due to the new expected credit loss models. The company applies a simplified approach in calculating ECL.

Management uses a provision matrix for the trade receivables reflecting past experience of losses incurred due to default as well as forward looking information in arriving at an assessment of impairment. The adoption of IFRS 9 resulted in changes in the accounting policies and disclosures arising from the adoption of consequential amendments to IFRS 7 Financial Instruments: Disclosures, these changes were applied for 2019 but have not been applied to the comparative information. No allowance for impairment over financial assets was recognised in opening retained earnings at April 1, 2018 on transition to IFRS 9, because the company has determined that the resulting change in impairment was not material.

The adoption of IFRS 9 has impacted the following areas:

- the classification and measurement of the company's financial assets. Management holds financial assets to hold and collect the associated cash flows. Financial assets previously classified as loans and receivables under IAS 39 are non-accounted for at amortised cost as they meet the held to collect business model and contractual cash flow characteristics test in IFRS 9.

On the date of initial application, April 1, 2018, the financial instruments of the company were reclassified as follows:

	Measurement Category		Carrying Amount		
	Original (IAS 39) Category	New IFRS 9 Category	Closing Balance March 31, 2018 (IAS 39)	Adoption of (IFRS 9)	Opening Balance April 1, 2019 (IFRS 9)
Current financial assets:					
Membership fees and other receivables	Loans and receivable	Amortised cost	7,126,220	-	9,132,170
Cash and cash equivalents	Loans and receivable	Amortised cost	6,204,583	-	3,791,224
Total financial assets balances			**13,330,803**	**-**	**12,923,394**

2. Summary of significant accounting policies (cont'd)

b Standards, interpretations and amendments to published standards effective in the current year (cont'd)

IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 replaces IAS 18 'Revenue', IAS 11 – 'Construction Contracts', and several revenue related interpretations. IFRIC 15 defines a comprehensive framework for determining when and to what extent revenue can be recognised. In accordance with IFRS 15, an entity shall recognise revenue as a monetary amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services in question.
According to the standard, revenue must be allocated to performance obligations based on relative transaction prices. A performance obligation is defined as a promise to transfer goods and/or services to customers. The revenue recognition takes place over time or at a point in time, with the transfer of control as the key criterion. The company's revenue stream, consists of the sale of office pharmaceutical, medical, and other supplies. In the sale of these goods, control of the goods is transferred when the physical possession of the product has been transferred to the customer, which typically occurs at delivery. Application of the standard did not have an impact on the revenue or results of the company.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
IFRIC 22 (effective for annual periods beginning on or after January 1, 2018). The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of non-monetary asset or non-monetary liability relating to advance consideration, the date of transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. The entity must determine the transaction date for each payment or receipt of advance consideration, if there are multiple payments or receipts in advance. The adoption of this interpretation had no impact on the company's financial statements.

c Standards, amendments and interpretations issued but not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the company. Information on those expected to be relevant to the company's financial statements are provided below.

Management anticipates that all relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, amendments and interpretations not early adopted or listed below have not been disclosed as they are not expected to have a material impact on the company's financial statements.

Amendments to IFRS 9, Financial Instruments', on prepayment features with negative compensation
Amendments to IFRS 9 (effective for annual period beginning on or after January 1, 2019). This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39.

The adoption of this amendment is not expected to have an impact on the company.

2. Summary of significant accounting policies (cont'd)

d Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on the straight-line basis at annual rate estimated to write off the carrying value of the assets over the period of their estimated useful lives. Annual rates are as follows:

Leasehold improvement	20%
Furniture, fixtures & equipment	10% -20%
Computer equipment	33⅓%
Motor vehicles	20%

e Licence fees and other receivables

Licence fees and other receivables are stated at amortized cost.

f Accounts and other payables

Accounts and other payables are stated at amortised cost.

g Cash and cash equivalents

Cash and cash equivalents consist of current accounts, cash floats and short-term fixed deposits with maturity dates of three (3) months or less maintained by the Board.

h Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in Jamaica dollars, which is the functional currency of the Board.

Foreign currency translations and balances

(i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.

(i) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.

(ii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

i Revenue recognition

IFRS 15 replaces the provisions of IAS 18 that relate to the recognition of revenue. The adoption of IFRS 15 from January 1, 2018 resulting in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 15 (C3(b)), comparative figures have been restated.

Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

2. Summary of significant accounting policies (cont'd)

i Revenue recognition (cont'd)

Certain contracts with customers provide a right of return. Accumulated experience is used to estimate and provide for customer returns using the expected value method, and revenue is only recognised to the extent that it highly probable that a significant reversal will not occur. A contract liability, representing amounts payable to customers, is recognised for expected returns.

The Board has undertaken an assessment of each material revenue stream in accordance with the prescribed five-step model to determine the impact on the timing and measurement of revenue recognition. Based on this assessment no material impact is identified.

j Provisions

Provisions are recognised when the Board has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the matter.

k Financial instruments

Financial assets and financial liabilities are recognised when the Board becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expires, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

Policy applicable from April 1, 2018

The Board classifies its financial assets into the categories amortized cost and fair value through other comprehensive income. The classification depends on the Board's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost

These assets arise principally from the provision of services to members (e.g. receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

2. Summary of significant accounting policies (cont'd)

k Financial instruments (cont'd)

Impairment provisions for receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. For receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within the statement of comprehensive income. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The company's financial assets measured at amortized cost comprise receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short term highly liquid investments with original maturity of three months or less.

Policy applicable until March 31, 2018

Classification

The Board classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The Board determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets in the statement of financial position. The Board's loans and receivables comprise receivables, short-term deposits and cash and cash equivalents.

Receivables are initially recognized at original invoice amount (which represents fair value) and subsequently measured at amortized cost less any provision for impairment.

A provision for impairment is established if there is objective evidence that a loan is impaired. A receivable is considered impaired when management determines that it is probable that the full amount due will not be collected.

Short-term deposits consist of investment in deposits with maturity dates greater than three (3) months and up to twelve (12) months.

Cash and cash equivalents consist of cash in hand, deposits held on call with banks, and other short-term highly liquid investments with original maturity dates of three (3) months or less.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial asset within 12 months of the reporting date. Investments intended to be held for an

2. Summary of significant accounting policies (cont'd)

k Financial instruments (cont'd)

indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. The Board's available-for-sale financial assets comprise the quoted investments.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the settlement date. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through surplus or deficit. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value based on quoted bid prices, with fair value gains or losses being recorded in other comprehensive income. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously recognized as other comprehensive income are recycled to surplus or deficit.

Dividends on available-for-sale equity instruments are recognized in surplus or deficit as part of finance income when the Board's right to receive payment is established.

Impairment of financial assets

The Board assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or financial assets that can be reliably estimated.

For loans and receivables impairment provisions are recognized when there is objective evidence that the entity will not collect all of the amounts due under the terms receivable. The amount of the allowance is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables which are reported net, such allowances are recorded in a separate allowance account with the loss being recognized in surplus or deficit. On confirmation that the trade receivable is uncollectable, it is written off against the associated allowance. Subsequent recoveries of amounts previously written off are credited to surplus or deficit.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in surplus or deficit – is

2. Summary of significant accounting policies (cont'd)

k Financial instruments (cont'd)

removed from other comprehensive income and recognized in surplus or deficit. Impairment losses recognized in surplus or deficit on equity instruments are not reversed through surplus or deficit.

l Comparative information

Where necessary, comparative figures have been reclassified and or restated to conform to changes in the current year.

m Impairment

The carrying amount of Board's assets are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

n Employee benefits

Employee benefits are all forms of consideration given by the Board in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-momentary benefits such as medical care

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulated is recognized when the employee becomes entitled to the leave.

3. Practising certificate and other revenues

These represent Membership fees earned from Registered Public Accountants. Revenue from Practising certificate fees is recognised on the accruals basis. Registration and application fees are recognised on the cash basis.

4. Property, plant and equipment

The carrying amounts for property, plant and equipment for the years included in these financial statements as at March 31, 2019 are reconciled as follows:

	Furniture, Fixtures and Equipment $	Computers $	Total $
Gross carrying amount			
Balance at March 31, 2018	52,390	256,784	309,174
Balance at March 31, 2019	**52,390**	**256,784**	**309,174**
Depreciation			
Balance at March 31, 2018	(29,986)	(256,782)	(286,768)
Charge for the year	(5,267)	-	(5,267)
Balance at March 31, 2019	(35,253)	(256,782)	(292,035)
Carrying amount at March 31, 2019	**17,137**	**2**	**17,139**

	Furniture, Fixtures and Equipment $	Computers $	Total $
Gross carrying amount			
Balance at March 31, 2017	52,390	256,784	309,174
Balance at March 31, 2018	52,390	256,784	309,174
Depreciation			
Balance as at March 31, 2017	(24,747)	(256,782)	(281,529)
Charge for the year	(5,239)	-	(5,239)
Balance at March 31, 2018	(29,986)	(256,782)	(286,768)
Carrying amount at March 31, 2018	22,404	2	22,406

5. Membership fees and other receivables

	2019 $	2018 $
Membership fees	**4,893,000**	4,047,603
Receivables for disciplinary enquiry (Note 12)	**3,410,310**	1,509,616
Other receivables	**828,860**	1,569,001
Total	**9,132,170**	7,126,220

6. Cash and cash equivalents

	Interest Rates %	**2019 $**	2018 $
Bank accounts:			
Savings account (2018-£4,467)	0.05	**-**	776,132
Current account	NIL	**3,791,224**	4,388,266
		3,791,224	5,164,398
Cash on deposit	(2.20-3.25)	**-**	1,040,185
Total		**3,791,224**	6,204,583

7. Payables and accruals

	2019 **$**	2018 $
Accruals – audit fee	**452,580**	349,500
Monitoring fees	**2,024,934**	2,050,000
Other payables	**119,250**	210,000
Total	**2,596,764**	2,609,500

8. ICAJ Contribution to Monitoring Programme

ICAJ makes a contribution to the Board of 7½% of the amount paid to cover the costs of the Monitoring Programme. The contribution for the year was $614,415 (2018 - $602,910).

9. Interest and other income

	2019 **$**	2018 $
Interest income	**19,187**	31,896
Miscellaneous income	**-**	75,316
Total	**19,187**	107,212

10. Administrative and other expenses

	2019 **$**	2018 $
Board members' fees	**125,000**	212,500
Salaries and related expenses	**1,785,514**	1,600,000
Key Management Personnel –Travelling expenses	**808,978**	707,458
Depreciation	**5,267**	5,239
Monitoring programme expenses	**8,099,736**	8,431,113
Other expenses	**2,140,450**	2,878,154
	12,964,945	13,834,464

11. Staff cost

Staff costs for the year amounted to $1,785,514 (2018 - $1,769,614).

12. Event subsequent to reporting date

In 2017, a disciplinary hearing was held against an accountant, Davin Nairne. As prescribed by section 13(7) of the Public Accountancy Act, "all costs and expenses payable to the Board under this section shall be recoverable as a debt due to the Board". The ruling was handed down in May 2018. The costs of the hearing amounting to $1,509,616 are to be recovered from the defendant and have been included in Accounts Receivables (Note 5) in these financial statements.

13. Finance income

Finance income includes all income received from short-term deposits and cash at bank and comprises:

	2019 **$**	2018 $
Interest income from cash and cash equivalents	**19,187**	31,896

14. Taxation

The Board is exempt from income tax under Section (12(b)) of the Income Tax Act.

15. Risk management policies

The Board's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Foreign currency risk

The Board is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

i Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
The Board is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. The Board however, maintains BPS (£) bank accounts in an attempt to minimise this risk.

ii Interest rate risk

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

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

Interest rate sensitivity

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

15. Risk management policies (cont'd)

a Market risk (cont'd)

iii Other price risk

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

b Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Board faces credit risk in respect of its receivables and cash and cash equivalents held with financial institutions. It is the Board's policy to deal only with credit worthy financial institutions and other counterparties, to control credit risk.

Cash and cash equivalents

Credit risk for cash and cash equivalents is managed by maintaining these balances with licensed financial institutions considered to be stable and creditworthy. Savings and current accounts held with commercial banks are insured under the Jamaica Deposit Insurance Scheme (JDIS) up to a maximum of $600,000.

Receivables

Credit risk for receivables is controlled by activities under the provision of the Rule And Regulations of the Board, where necessary.

The Board applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for receivables. To measure expected credit losses on a collective basis, receivables are grouped based on similar credit risk and aging (i.e. members, professional associations and events.)

The expected loss rates are based on the Board's historical credit losses experienced over the two year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers and members to settle the receivables. The Board has identified the unemployment rate of the country in which it operates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

There were no changes to the Board's approach to operational risk management during the year.

c Liquidity risk

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

The Board manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs.

15. Risk management policies (cont'd)

c Liquidity risk (cont'd)

The Board's financial liabilities comprise payables and accruals and long-term loans. These amounts are due as follows:

March 31, 2019

	Within 1 Year $	Within 1 to 2 Years $
Payables and accruals	2,596,764	-
Total	2,596,764	-

March 31, 2018

	Within 1 Year $	Within 1 to 2 Years $
Payables and accruals	2,609,500	-
Total	2,609,500	-

There were no changes to the Board's approach to operational risk management during the year.

d Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Board's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The primary responsibility for the development and implementation of controls address operational risk is assigned to the Registrar and Board Members. This responsibility is supported by the development of overall Board standards for the management of operational risk in the following areas:

- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Training and professional development;
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with the Board's standards is supported by a programme of periodic review.

There were no changes to the Board's approach to operational risk management during the year.

16. Summary of financial assets and liabilities by category

The carrying amount of the Board's financial liabilities recognised at the end of the reporting periods under review may also be categorised as follows:

	2019 **$**	2018 $
	Amortised Cost	Loans and receivables
Financial assets by category		
Membership fees and other receivables	**9,132,170**	7,126,220
Cash and cash equivalents	**3,791,224**	6,204,583
Total	**12,923,394**	13,330,803
	Amortised Cost	**Amortised Cost**
Financial liabilities measured at amortised cost		
Payables and accruals	**2,596,764**	2,609,500
Total	**2,596,764**	2,609,500

17. Capital management, policies and procedures

The Board's capital management objectives are to ensure the Board's ability to continue as a going concern and to sustain future development of the business. The Board of Directors review the financial position of the Board at regular meetings.

The Board is not subject to any externally imposed capital requirements.

Mair Russell
Grant Thornton

Additional information – Auditors' report

To the Directors of
Public Accountancy Board
On Additional Information

The additional information presented on page 23 has been taken from the accounting records of the board and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the Board for the year ended March 31, 2019.

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 Board's affairs as at March 31, 2019 or of the results of its operations, or its cash flows for the year then ended.

Mair Russell Grant Thornton
Chartered Accountants

Kingston, Jamaica
July 31, 2019

Additional information – Supporting schedule of expenses Year ended March 31, 2019

	2019 **$**	2018 $
Administrative and general expenses		
Salaries and related expenses	**1,785,514**	1,769,614
Secretarial services	**20,850**	51,600
Printing and stationery	**51,944**	55,723
Website management	**406,750**	201,954
Advertising	**255,999**	159,212
Office expenses	**46,500**	110,465
Meeting expenses	**52,560**	220,844
Board member's fee	**125,000**	212,500
General consumption tax (GCT) on audit fees	**49,500**	49,500
Practising certificates	**223,207**	251,400
Rules and recommendations	**402,412**	-
Annual reports	**31,757,**	63,339
Professional fees	**99,025**	186,400
Training	**-**	686,118
Registrars' travelling expenses	**808,978**	707,458
Monitoring programme expenses	**8,099,736**	8,431,113
Fees refund	**46,000**	15,000
Public Relations	**343,250**	640,949
Other	**74,149**	21,036
Depreciation	**5,267**	5,239
Disciplinary expenses	**36,547**	-
Audit fees	**403,080**	300,000
	13,368,025	14,139,464
Finance cost		
Bank charges	**37,102**	41,637
	37,102	41,637

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