PUBLIC ACCOUNTANCY BOARD
FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2015

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YEAR ENDED 31ST MARCH 2015

I N D E X

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PUBLIC ACCOUNTANCY BOARD

Report on the Financial Statements

We have audited the accompanying financial statements of Public Accountancy Board which comprise the statement of financial position as at 31st March 2015 and the statements of profit or loss and other comprehensive income, changes in accumulated fund and cash flows for the year then ended, together with a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Public Accountancy Act, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
PUBLIC ACCOUNTANCY BOARD

Auditors' Responsibility - Cont'd

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Board as at 31st March 2015, and of its financial performance, and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Public Accountancy Act.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records.

UHY Dawgen
UHY Dawgen
Signature

UHY DAWGEN CHARTERED ACCOUNTANTS

31st July 2015

PUBLIC ACCOUNTANCY BOARD

STATEMENT OF FINANCIAL POSITION - 31ST MARCH 2015

	Note	2015 $	2014 $
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5	78,054	123,225
Investment	6	1,028,000	1,028,000
		1,106,054	1,151,225
Current Assets			
Membership Fees and Other Receivables	7	5,233,175	4,658,958
Cash and Cash Equivalents	8	5,349,107	7,098,996
		10,582,282	11,757,954
TOTAL ASSETS		11,688,336	12,909,179
RESERVES AND LIABILITIES			
Reserves			
Accumulated Fund		10,312,009	9,635,907
Current Liabilities			
Payables and Accruals	9	1,376,327	3,273,272
TOTAL RESERVES AND LIABILITIES		11,688,336	12,909,179

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

APPROVED FOR ISSUE ON BEHALF OF THE BOARD ON 31st July 2015 AND SIGNED ON ITS BEHALF BY:

Eric Crawford, President

Compton Rodney, Registrar

PUBLIC ACCOUNTANCY BOARD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31ST MARCH 2015

	Note	2015 $	2014 $
Revenue:			
Practising Certificate Fees		11,902,849	12,298,005
Registration and Application Fees		90,000	70,000
ICAJ Contribution to Monitoring Programme		692,177	660,568
Interest and Other Income	10	126,747	1,350,453
		12,811,773	14,379,026
Auditor's Remuneration		(300,000)	(300,000)
Administrative and Other Expenses	11	(11,818,288)	(12,912,727)
		693,485	1,166,299
Finance Costs		(17,383)	(18,637)
Total Comprehensive Income for the Year		676,102	1,147,662

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

PUBLIC ACCOUNTANCY BOARD
STATEMENT OF CHANGES IN ACCUMULATED FUND
YEAR ENDED 31ST MARCH 2015

	Accumulated Fund $
Balance at 31st March 2013	8,488,245
Total Comprehensive Income for the Year 2014	1,147,662
Balance at 31st March 2014	9,635,907
Total Comprehensive Income for the Year 2015	676,102
Balance at 31st March 2015	10,312,009

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

PUBLIC ACCOUNTANCY BOARD
STATEMENT OF CASH FLOWS
YEAR ENDED 31ST MARCH 2015

	2015	2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Total Comprehensive Income for the Year	676,102	1,147,662
Adjustments to Reconcile Total Comprehensive Income for Year to Net Cash Used in Operating Activities:		
Depreciation	45,171	45,171
Interest Income earned	(126,747)	(136,050)
	594,526	1,056,783
(Increase)/Decrease in Current Assets		
Membership Fees and Other Receivables	(574,217)	(1,551,842)
(Decrease)/Increase in Current Liabilities		
Payables and Accruals	(1,896,945)	(760,625)
	(1,876,636)	(1,255,684)
Interest Received	126,747	126,355
Net Cash Used in Operating Activities	(1,749,889)	(1,129,329)
Cash Flows from Investing Capital		
Purchase of Property, Plant and Equipment	-	(48,598)
Net Cash Flows Used in Investing Capital	-	(48,598)
Net Decrease in Cash and Cash Equivalents	(1,749,889)	(1,177,927)
Cash and Cash Equivalents at Beginning of Year	7,098,996	8,276,923
Cash and Cash Equivalents at End of Year	5,349,107	7,098,996

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

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2015

1. **Identification:**

The Public Accountancy 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 registered office is located at 30 National Heroes Circle, Kingston, Jamaica, West Indies.

These financial statements are expressed in Jamaica Dollars, which is the functional and presentation currency of the Board.

2. **Adoption of Standards, Interpretations and Amendments:**

a) Standards and Interpretations in respect of published standards that are in effect:

The International Accounting Standards Board (IASB) issued certain new standards and interpretations as well as amendments to existing standards, which became effective during the year under review. Management has assessed the relevance of these new standards, interpretations and amendments and has adopted and applied in these financial statements, those standards which are considered relevant to its operations.

Amendments to IAS 32: Financial Instruments: Presentation (Effective 1st January 2014) -
Clarifies those conditions needed to meet the criteria specified for offsetting financial assets and liabilities. It requires the entity to prove that there is a legally enforceable right to set off the recognised amounts. Conditions such as whether the set off is contingent on a future event and the nature and right of set-off and laws applicable to the relationships between the parties involved should be examined. Additionally, to meet the criteria, an entity should intend to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Amendments to IAS 36: Impairment of Assets: Recoverable Amount Disclosures for Non Financial Assets (Effective January 2014) -

The Amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21: Levies (Effective January 2014) -

This provides guidance on accounting for levies in accordance with the requirements of ***IAS 37, Provisions, Contingent Liabilities and Contingent Assets.*** The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with Legislation. It requires an entity to recognize a liability for a levy when and only when the triggering event specified in the legislation occurs.

These amendments and interpretation financial statements for accounting periods beginning on or after the first day of the months stated. The adoption of these amended standards and interpretation has not had a material impact on these financial statements.

2. **Adoption of Standards, Interpretations and Amendments - cont'd:**

b) At the date of the approval of the financial statements, the following Standards and Interpretations which are considered relevant to the Board were issued but not yet effective.

IFRS 9: Financial Instruments (Effective January 1, 2018)

This replaces the existing guidance in ***IAS 39, Financial Instruments: Recognition and Measurement.*** IFRS 9 introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The determination of classification will be made at initial recognition and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Management has determined that the standard is relevant to existing policies for its current operations, but has not yet assessed the impact on adoption.

Improvements to IFRSs 2010–2012 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

- **IFRS 13: Fair Value Measurement (Effective July 2014)**

  Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusion only).

- **IAS 16: Property, Plant and Equipment (Effective July 2014)**

  Proportionate restatement of accumulated depreciation under the revaluation method.

  <u>For all depreciable assets:</u>

  The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life [IAS 16.50].

  The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8. [IAS 16.51]

  The depreciation method used should reflect the pattern in which the asset's economic benefits are consumed by the entity [IAS 16.60]; a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. [IAS 16.62A]

  The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8. [IAS 16.61] Expected future reductions in selling prices could be indicative of a higher rate of consumption of the future economic benefits embodied in an asset. [IAS 16.56]

  Depreciation should be charged to profit or loss, unless it is included in the carrying amount of another asset [IAS 16.48].

  Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle. [IAS 16.55]

2. **Adoption of Standards, Interpretations and Amendments (cont'd):**

b) Standards and Interpretations in respect of published standards that are not in effect (cont'd):

Improvements to IFRSs 2010–2012 cycle (cont'd)

- **IAS 24: Related Party Disclosures (Effective July 2014)**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity*. [IAS 24.17A, 18A]

Improvements to IFRSs 2011–2013 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendment is as follows:

- **IFRS 13: Fair Value Measurement (Effective July 2014)**

Scope of paragraph 52 (portfolio exception)
Clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

- **IAS 24: Related Party Disclosures**

This has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. The reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services provided by the management entity but it is not required to disclose compensation paid by the management entity to the individuals providing the key management personnel services.

Improvements to IFRSs 2012–2014 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments are as follows:

- **IFRS 5: Non-current Assets Held for Sale and Discontinued Operations**

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

- **IFRS 7: Financial Instruments: Disclosures**

Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

2. **Adoption of Standards, Interpretations and Amendments (cont'd):**

b) Standards and Interpretations in respect of published standards that are not in effect:

Improvements to IFRSs 2012–2014 cycle (cont'd)

- **IAS 19: Employee Benefits**

  Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

The Board does not expect these amendments to have any significant impact on its financial statements.

IAS 1: Presentation of Financial Statement (Effective January 2016)

The amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes.

Clarifies that information should not be obscured by aggregating or by providing immaterial information materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

Clarifies that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregated as single line items based on whether or not it will subsequently be reclassified to profit or loss;

Provides additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need to be presented in the order so far listed in paragraph 114 of IAS 1.

IFRS 15 - Revenue from Contracts with Customers (IAS 18 will be superseded by IFRS 15 Revenue from Contracts with Customers.) (Effective January 1, 2017)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

These amended and new standards affect financial statements for accounting periods beginning on or after the first day of the month stated. The Board is assessing the impact these amendments will have on its financial statements

3. **Statement of Compliance, Basis of Preparation and Significant Accounting Policies:**

(a) Statement of Compliance and Basis of Preparation -

These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB).

(b) Use of estimates and judgements -

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates and any adjustments that may be necessary would be reflected in the results of the year in which actual amounts are known.

There were no estimates and judgements that have been made by management in the application of IFRS that would cause any significant risk of material adjustment in the next financial year.

(c) Property, Plant and Equipment -

All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses (Note 3(h)).

Depreciation is calculated on the straight line basis by reference to cost at annual rates estimated to write off the relevant assets over their expected useful lives. The rates of depreciation in use are as follows;

Furniture & Fixtures	10%
Computer Equipment	20% and 25%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(d) Investments -

Investments are classified as held-to-maturity instruments. Held-to-maturity instruments are recorded on initial recognition at fair value and subsequently measured at amortised cost. The Board determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on a periodic basis.

Held-to-maturity securities are those with fixed or determinable payments and fixed maturity. A positive intent and ability to hold to maturity must be demonstrated. All purchases and sales of investment securities are recognised at settlement date.

3. **Statement of Compliance, Basis of Preparation and Significant Accounting Policies - cont'd:**

(e) Membership fees and other receivables -

Membership fees and other receivables are carried at original invoice amounts less impairment losses (note 3(h)). These fees are accounted for on the accrual basis taking into account fees actually received up to 30th June of the subsequent accounting year. Licences not renewed by that date are not taken into account.

(f) Cash and cash equivalents -

Cash and cash equivalents are carried in the Statement of Financial Position at cost which approximates fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

(g) Payables and accruals -

Payables and accruals, including provisions, are stated at their cost.

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

(h) Impairment of assets -

The carrying amounts of the Board's assets are reviewed at each of the dates of the Statement of Financial Position to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each of the dates of the Statement of Financial Position. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

(i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

The reversal is limited to the carrying amount.

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED 31ST MARCH 2015

3. **Statement of Compliance, Basis of Preparation and Significant Accounting Policies - cont'd:**

(i) Revenue recognition -

Revenue from Practising certificate fees is recognised on the accruals basis taking into account fees actually received up to 18th June of the subsequent accounting year. Licences not renewed by that date are not taken into account. Registration and application fees are recognised on the cash basis. Interest income is recognised on the effective yield basis.

(j) Related party balances and transactions -

A related party is a person or entity that is related to the Board (referred to in IAS 24, *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to the Board if that person:

(i) has control or joint control over the Board;

(ii) has significant influence over the Board; or

(iii) is a member of the key management personnel of the Board or of a parent of the Board.

(b) An entity is related to the Board if any of the following conditions

(i) The entity and the Board are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Board or an entity related to the Board. If the Board is itself such a plan, the sponsoring employers are also related to the Board.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

YEAR ENDED 31ST MARCH 2015

4. **Financial Instruments and Financial Instruments Risk Management:**

The Board's activities expose it to certain financial risks which require evaluation, acceptance and management of some degree of risks or combination of risks. Operational risks are an inevitable consequence of being in operation.

The Board's management policies are designed to identify and analyse these risks, to set up appropriate controls and to monitor the risks by means of up-to-date information.

The members of the Board are ultimately responsible for the establishment and oversight of the Board's management framework. The Board provides policies for overall risk management, as well as principles and procedures covering the specific areas of risk. The Board manages and monitors those risks. The most important components of risks are credit risk, liquidity risk, market risk and other operational risks.

Market risk includes currency risk, interest rate risk and other price risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Board primarily faces due to the nature of its assets and liabilities are credit risk, liquidity risk and interest rate risk. The Board's overall risk management programme focuses on the collectability of membership fees.

a) Credit Risk

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

Maximum Exposure to Credit Risk

	2015	2014
	$	$
Membership fees and other receivables	5,233,175	4,658,958
Cash and cash equivalents	5,349,107	7,098,996
	10,582,282	11,757,954

i) Membership fees and other receivables

The Board faces no credit risk in respect of its receivables from members as amounts accrued are those actually received up to the 18th June following the year-end. There is no concentration of credit risk.

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

YEAR ENDED 31ST MARCH 2015

4. **Financial Instruments and Financial Instruments Risk Management (cont'd):**

a) Credit Risk (cont'd)

ii) Cash and cash equivalents

Cash and cash equivalents on which the Board faces credit risks comprise its current and saving accounts and deposits held with financial institutions. The Board limits its exposure to credit risk by placing its cash and cash equivalents with counter-parties that have high credit quality. Accordingly, the Board do not expect any counter-party to fail to meet its obligation.

There has been no change in the Board's exposure to credit risks or the manner in which it measures and manages the risk.

b) Liquidity Risk

Liquidity risk is the risk that the Board is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The Board manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. At the date of the Statement of the Financial Position the Board faced no liquidity risk as its current assets exceeded its current liabilities by $ 9,205,955 (2014 - $8,484,682).

Liquidity risk management process

The Board's liquidity risk management process includes:

i) Maintaining an acceptable level of cash and cash equivalents.

ii) Optimising returns on savings.

iii) Monitoring the Statement of Financial Position liquidity ratios against internal requirements. The most important of these is to maintain limits on the ratio of net liquid assets to liabilities.

There has been no change in the Board's liquidity risk or the manner in which it measures and manages the risk.

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

YEAR ENDED 31ST MARCH 2015

4. **Financial Instruments and Financial Instruments Risk Management (cont'd):**

b) Liquidity Risk (cont'd)

The following table summarises the net liquidity gap and the cumulative liquidity gap of the Board by analysing its assets and liabilities into periodical maturity categories:

	0 - 6 months $	6 - 12 months $	1 - 5 years $	No specific maturities $	Total $
	<-----	-----	**2015**	-----	----->
ASSETS					
Non-current Assets					
Property, Plant and Equipment	-	-	-	78,054	78,054
Investments	-	-	1,028,000	-	1,028,000
	-	-	1,028,000	78,054	1,106,054
Current Assets					
Membership fees and other receivables	5,233,175	-	-	-	5,233,175
Cash and cash equivalents	5,349,107	-	-	-	5,349,107
	10,582,282	-	-	-	10,582,282
TOTAL ASSETS	10,582,282	-	1,028,000	78,054	11,688,336
RESERVES AND LIABILITIES					
Reserves					
Accumulated fund	-	-	-	10,312,009	10,312,009
Current Liabilities					
Payables and accruals	308,217	1,068,110	-	-	1,376,327
TOTAL RESERVES AND LIABILITIES	308,217	1,068,110	-	10,312,009	11,688,336
Net liquidity gap	10,274,065	(1,068,110)	1,028,000	(10,233,955)	-
Cumulative liquidity gap	10,274,065	9,205,955	10,233,955	-	-
	<-----	-----	**2014**	-----	----->
Net liquidity gap	8,484,682	-	1,028,000	(9,512,682)	-
Cumulative liquidity gap	8,484,682	8,484,682	9,512,682	-	-

PUBLIC ACCOUNTANCY BOARD
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015

4. **Financial Instruments and Financial Instruments Risk Management (cont'd):**

c) Market Risk

The Board is exposed to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in currency exchange rates and interest rates. Market risk is monitored by the Board.

There has been no change to the Board's exposure to market risk and the manner in which it manages and measures market risk.

i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Board maintains financial asset in foreign currency in the form of saving GBP pound £1,220 (2014 - £3,182) and has no financial liabilities in foreign currencies (2014 - GBP pound 17,528) . The Board has minimised its currency risk in that it holds financial asset in the same currency as its financial liabilities.

The Board's exposure to foreign currency risk at the date of the statement of financial position was as follows:

	2015	2014
	£	£
Financial Asset- Saving Account	1,220	3,182
Financial Asset- Accounts Payable	-	(17,528)
	1,220	(14,346)

Foreign Currency Sensitivity analysis

Exchange rates in terms of Jamaican Dollars which is the Board's principal intervening currency, were as follows:

	£
9th June 2015	174.23
31st March 2015	172.71
31st March 2014	181.82

Over the twelve months ended 31st March 2015, the exchange rate movement for the Pound Sterling has shown an overall increase of 5.01%.

Since 31st March 2015 to the 9th June 2015, the Pound Sterling increased by 0.9%. Should there be a strengthening / weakening of the Jamaican dollar against the Pound Sterling by say, 15%/1% this would (decrease)/increase surplus and accumulated fund as under:

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

YEAR ENDED 31ST MARCH 2015

4. **Financial Instruments and Financial Instruments Risk Management (cont'd):**

c) Market Risk (cont'd)

i) Foreign currency risk (cont'd)

		Movement	2015	Movement	2014
		%	$	%	$
Jamaican dollar	devaluation	15	(31,606)	15	391,258
Jamaican dollar	revaluation	1	2,107	1	(26,084)

The analysis assumes that all other variables, in particular, interest rates, remain constant.

ii) Interest rate risk

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments due to a change in market interest rates. It arises when there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustments within a specified period. It can be reflected as a loss of future net interest income and/or a loss of current market values. The Registrar has overall responsibility for the daily management and monitoring of interest rate risk and reports monthly to the Board on its strategies and position.

At each of the dates of the Statement of Financial Position the Interest Profile of the Board's interest bearing financial instruments was:

	2015		2014	
	Interest Rate %	$	Interest Rate %	$
Financial Assets				
Investment	7.50	1,028,000	7.50	1,028,000
Cash and Cash Equivalents				
Savings Account J$	0.15	219,361	0.15	11,991
Savings Account £	-	-	0.05	578,600
Cash on Deposit	3.00 - 4.00	605,123	1.55-4.00	2,515,551
		1,852,484		4,134,142

PUBLIC ACCOUNTANCY BOARD
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015

4. **Financial Instruments and Financial Instruments Risk Management (cont'd):**

c) Market Risk - cont'd.

ii) Interest rate risk - cont'd

Interest rate sensitivity analysis

During the period April 2014 to March 2015, BOJ 3-6 months Deposit rates have moved by approximately 90 basis points from 6.04% to 5.14%. This rate of movement is not expected to continue in the foreseeable future as the Government continues to require that interest rates are contained at low single digit levels. Increases are expected to be marginal and sustainable only over the short term.

A 2.5% (2014 - 2.5%) movement in interest rate at the reporting date would have impacted the reported surplus and accumulated fund by the amounts shown below:

	2015 $	2014 $
2.5% (2014 - 2.5%) increase in interest rate		
Financial Assets		
Investment	25,700	25,700
Cash and Cash Equivalents		
Savings Account J$	5,484	300
Savings Account £	-	14,465
Cash on Deposit	15,128	62,889
Increase in Surplus	46,312	103,354
2.5% (2014 - 2.5%) decrease in interest rate		
Decrease in Surplus	(46,312)	(103,354)

This analysis assumes that all other variables, in particular exchange rates, remain constant.

Financial Assets

The Board invests excess cash in savings and deposit accounts that are held with licensed and secure financial institutions. The interest rates paid are affected by fluctuations in market interest rates.

Financial Liability

The Board has no interest-bearing financial liability.

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.

PUBLIC ACCOUNTANCY BOARD
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015

4. **Financial Instruments and Financial Instruments Risk Management (cont'd):**

d) Operational Risk (cont'd):

The primary responsibility for the development and implementation of controls to 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.
- Requirement 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.

e) Capital Management

The Board's objective when managing capital is to safeguard the Board's ability to continue as a going concern in order that it can maintain an adequate capital base to support the carrying out of its objectives as provided for in the Public Accountancy Act 1968.

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

The Board's capital comprises:

	2015	2014
	$	$
Accumulated fund	10,312,009	9,635,907

f) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date of the principal or, in its absence, the most advantageous market to which the Board has access at that date. The fair value of a liability reflects its non-performance risk.

The carrying value of each class of financial instrument approximates to its fair value.

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED 31ST MARCH 2015

5. **Property, Plant and Equipment:**

	Computer Equipment	Furniture & Fixtures	Total
	$	$	$
At Cost:			
1st April 2013	256,784	3,792	260,576
Additions	-	48,598	48,598
31st March 2014	256,784	52,390	309,174
31st March 2015	256,784	52,390	309,174
Accumulated Depreciation:			
1st April 2013	136,987	3,791	140,778
Charge for the Year	39,932	5,239	45,171
31st March 2014	176,919	9,030	185,949
Charge for the Year	39,932	5,239	45,171
31st March 2015	216,851	14,269	231,120
Net Book Value:			
31st March 2015	39,933	38,121	78,054
31st March 2014	79,865	43,360	123,225
31st March 2013	119,797	1	119,798

6. **Investment:**

	2015	2014
	$	$
Held-to-maturity		
Government of Jamaica Security - FR BN2017	1,028,000	1,028,000

7. **Membership Fees and Other Receivables:**

	2015	2014
	$	$
Membership Fees	1,438,000	1,741,000
Other Receivables	3,795,175	2,917,958
	5,233,175	4,658,958

PUBLIC ACCOUNTANCY BOARD

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED 31ST MARCH 2015

8. **Cash and Cash Equivalents:**

		2015	2014
		$	$
Bank Accounts:	**Interest Rates**		
Savings Account J$	0.15%(2014:0.15%)	219,361	11,991
Savings Account £ (£1,220, 2014:£3,182)	Nil (2014:0.05%)	207,370	578,600
Current Account		4,524,623	3,992,854
		4,951,354	4,583,445
Cash on Deposit	3-4% (2014:1.55-4%)	605,123	2,515,551
		5,556,477	7,098,996

9. **Payables and Accruals:**

	2015	2014
	$	$
Accruals - Audit fee	300,000	300,000
Advance - Monitoring Fees	1,068,110	2,949,959
Other	8,217	23,313
	1,376,327	3,273,272

10. **Interest and Other Income:**

	2015	2014
	$	$
Interest Income	126,747	136,050
Exchange Gain	-	1,214,403
	126,747	1,350,453

11. **Administrative and Other Expenses :**

	2015	2014
	$	$
Administrative and Other Expenses include:		
Board Members' Fees	265,000	272,000
Key Management Personnel - Travelling Expenses	538,500	666,388

12. **Staff Cost:**

Staff Costs for the year amounted to $ 158,400 (2014 - $158,397).

PUBLIC ACCOUNTANCY BOARD

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2015

I N D E X

Statement 1

REPORT OF THE AUDITORS

TO THE MEMBERS OF

PUBLIC ACCOUNTANCY BOARD

The supplementary information presented on the following statement 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 31st March 2015.

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 affairs of the Board at 31st March 2015 and of the results of its operations, its changes in the accumulated fund and cash flows for the year then ended.

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UHY Dawgen

UHY DAWGEN CHARTERED ACCOUNTANTS

Signature

31st July 2015

Statement 2

PUBLIC ACCOUNTANCY BOARD

SCHEDULE OF EXPENSES

YEAR ENDED 31ST MARCH 2015

	2015	2014
	$	$
ADMINISTRATIVE AND OTHER EXPENSES		
Salaries and related expenses	158,400	158,397
Secretarial services	24,000	41,650
Accounting fee	-	49,500
Printing & stationery	91,491	53,880
Website management	52,285	188,143
Advertising	236,245	234,312
Office expenses	90,169	109,415
Meeting expenses	145,018	157,775
Board members' fees	265,000	272,000
Bad debt written off	-	125,000
Practising certificates	78,500	94,338
Rules and recommendation	104,412	529,816
Annual reports	-	101,811
Professional fees	70,482	117,500
Training	318,000	440,490
Travelling expenses	538,500	666,388
Monitoring programme expenses	9,586,403	9,527,141
Foreign exchange loss	14,212	-
Depreciation charge	45,171	45,171
	11,818,288	12,912,727
FINANCE COSTS		
Bank charges	17,383	18,637