

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

MARCH 31, 2008

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008
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INDEPENDENT AUDITORS' REPORT

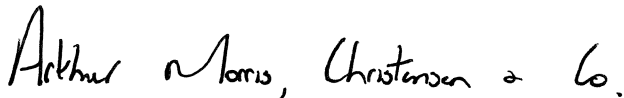
To the Members of The Institute of Chartered Accountants of Bermuda

We have audited the statement of financial position of The Institute of Chartered Accountants of Bermuda (the "Institute") as at March 31, 2008, and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements of the Institute as at March 31, 2007, were audited by other auditors whose report dated June 20, 2007, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in Bermuda and Canada. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in Bermuda and Canada.

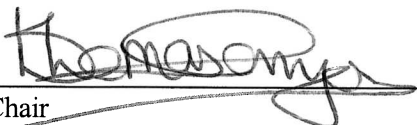


Hamilton, Bermuda
June 9, 2008

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008
(Expressed in Bermuda Dollars)

	2008	2007
CURRENT ASSETS		
Cash	\$ 18,985	\$ 64,263
Fixed deposits (note 3)	316,428	367,055
Accounts receivable	10,475	23,580
Interest receivable	6,048	6,812
Prepaid expenses	<u>2,329</u>	<u>823</u>
	354,265	462,533
PROPERTY AND EQUIPMENT (note 4)	<u>60,074</u>	<u>44,419</u>
	<u>\$ 414,339</u>	<u>\$ 506,952</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 73,492	\$ 60,648
NET ASSETS		
Unrestricted net assets	<u>340,847</u>	<u>446,304</u>
	<u>\$ 414,339</u>	<u>\$ 506,952</u>

Approved by the Executive Committee



 Chair



 Secretary

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

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2008**

(Expressed in Bermuda Dollars)

	2008	2007
REVENUES		
Membership fees	\$ 465,516	\$ 461,067
Less: CICA fees	<u>(213,210)</u>	<u>(225,216)</u>
Membership fees retained	252,306	235,851
Interest	21,303	16,919
Admission fees	<u>11,100</u>	<u>8,100</u>
	<u>284,709</u>	<u>260,870</u>
EXPENSES		
Salaries and benefits	232,982	178,032
Foreign exchange loss (note 7)	45,721	21
Rent and office maintenance (note 6)	40,108	34,297
Conferences and committees	22,817	15,721
Disciplinary expense	17,718	-
Information technology consulting	15,818	6,905
Communication	12,489	5,942
Printing and stationery	9,855	7,222
Insurance	8,121	8,121
Depreciation	6,507	4,817
Advertising	4,746	-
Executive council expense	4,717	8,413
Legal fees	4,420	19,541
Miscellaneous	<u>1,913</u>	<u>2,905</u>
	<u>427,932</u>	<u>291,937</u>
Deficiency of operating revenues over operating expenses	<u>(143,223)</u>	<u>(31,067)</u>
PROGRAM REVENUES (EXPENSES) (note 5)		
Professional development	64,321	32,386
Student affairs	763	5,988
Public awareness	<u>(27,318)</u>	<u>(25,777)</u>
Total net program revenues	<u>37,766</u>	<u>12,597</u>
DEFICIENCY OF REVENUES OVER EXPENSES	(105,457)	(18,470)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>446,304</u>	<u>464,774</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 340,847</u>	<u>\$ 446,304</u>

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

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
STATEMENT OF CASH FLOWS
AS AT MARCH 31, 2008
(Expressed in Bermuda Dollars)

	2008	2007
CASH AND DEPOSITS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (105,457)	\$ (18,470)
Depreciation	6,507	4,817
Changes in non-cash operating balances:		
Interest receivable	764	(3,171)
Accounts receivable	13,105	(17,352)
Prepaid expenses	(1,506)	1,317
Accounts payable and accrued expenses	<u>12,844</u>	<u>49,891</u>
Net cash (used in) provided by operating activities	(73,743)	17,032
INVESTING ACTIVITIES		
Additions to property and equipment	<u>(22,162)</u>	<u>(47,396)</u>
DECREASE IN CASH AND DEPOSITS	(95,905)	(30,364)
CASH AND DEPOSITS, beginning of year	<u>431,318</u>	<u>461,682</u>
CASH AND DEPOSITS, end of year	<u>\$ 335,413</u>	<u>\$ 431,318</u>

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

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2008
(Expressed in Bermuda Dollars)

1. DESCRIPTION OF BUSINESS

The Institute of Chartered Accountants of Bermuda (the "Institute") was established under the authority of the Institute of Chartered Accountants of Bermuda Act 1973. The Institute is affiliated with the Canadian Institute of Chartered Accountants (CICA). Its principal objectives are to promote and increase the knowledge, skill and proficiency of its members and students, to regulate the discipline and professional conduct of its members and students, to promote the best standard of practice in financial reporting and in the expression of professional opinions in relation thereto, and to promote the welfare and interests of the institute and accounting profession.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada, which have general application in Bermuda. The Institute's significant accounting policies are as follows:

Revenue recognition

Membership fees are recognized as revenue in the fiscal year to which they relate. Program revenues and expenses are recognized as revenues and expenses when the events are held.

Property and equipment

Property and equipment are recorded at cost, net of accumulated depreciation which is provided on the straight-line basis over the estimated useful lives of the assets as follows:

Office equipment	5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Website and related software	5 years

Donated services

The work of the Institute is dependent on the voluntary services of many members. Since these services are not normally purchased by the Institute, and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

Foreign exchange

Expenses invoiced in foreign currencies are translated into Bermuda dollars at the rates of exchange in effect of the date of the transaction. Gains and losses on translation are taken to the statement of operations and changes in net assets.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2008
(Expressed in Bermuda Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in the statements of income on a straight-line basis over the term of the lease.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of assets and liabilities as at the date of the financial statements. Estimates also affect the reported amount of income and expenses incurred for the reporting period of the statement of operations. Actual results could differ from those estimates.

3. FIXED DEPOSITS

The following fixed deposits are with Capital G Bank Limited:

\$50,104 matures on April 11, 2008
 \$130,840 matures October 5, 2008
 \$135,484 matures October 25, 2008

4. PROPERTY AND EQUIPMENT

Property and equipment comprise:

	Cost	Accumulated Amortization	2008 Net book value	2007 Net book value
Office equipment	\$ 18,020	\$ 17,413	\$ 607	\$ 760
Computer equipment	20,224	11,513	8,711	-
Furniture and fixtures	38,505	8,815	29,690	25,080
Website and related software	21,066	-	21,066	18,579
	<u>\$ 97,815</u>	<u>\$ 37,741</u>	<u>\$ 60,074</u>	<u>\$ 44,419</u>

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2008
(Expressed in Bermuda Dollars)

5. PROGRAM ACTIVITIES

The Institute generates revenues and incurs expenses for various programs and services. The gross revenues and expenses relating to these programs and services are as follows:

	Revenues	Expenses	2008 Net	2007 Net
Professional development	\$ 127,434	\$ 63,113	\$ 64,321	\$ 32,386
Student affairs	3,485	2,722	763	5,988
Public awareness	23,996	51,314	(27,318)	(25,777)
	<u>\$ 154,915</u>	<u>\$ 117,149</u>	<u>\$ 37,766</u>	<u>\$ 12,597</u>

6. COMMITMENT

The Institute has entered into a lease for the office space it occupies at a monthly rent of \$3,070 (2007 – \$1,763).

7. FINANCIAL INSTRUMENTS

The Institute's financial instruments consist of cash, fixed deposits, accounts receivable, interest receivable, accounts payable and accrued liabilities.

Fair Value

The carrying value of cash and fixed deposits, accounts receivable, interest receivable, accounts payable and accrued liabilities approximates fair value due to their short term nature.

Credit risk

Financial assets which potentially subject the Institute to concentrations of credit risk consist principally of cash, fixed deposits and accounts receivable. In management's opinion, the risk of loss due to credit risk is not significant as cash and fixed deposits are placed with high credit quality financial institutions and accounts receivable are presented net of provisions for uncollectible amounts.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BERMUDA
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2008
(Expressed in Bermuda Dollars)

7. FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk

Foreign exchange risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of financial instruments denominated in currencies other than Bermuda dollars. Changes in foreign currency exchange rates will result in gains or losses which are recorded in the statement of operations and changes in net assets.

The foreign exchange loss for the year ended March 31, 2008 arose on the movement in the Canadian dollar exchange rate from April 1, 2007, the date at which liabilities for CICA fees were recorded, and the actual rates of exchange in effect when each payment was made to settle the liability.

8. COMPARATIVE BALANCES

Certain prior year balances have been reclassified to conform to the presentation adopted in the current year.