

Annual



Report

T W O T H O U S A N D A N D N I N E

# Annual Report 2009

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# Chair's Report



*R. John Wight, CA*

The Institute of Chartered Accountants of Bermuda (“ICAB”) has had a very busy year addressing the numerous issues facing our profession.

The Mission and Vision of ICAB is to foster public confidence in the CA profession by acting in the public interest and helping our members excel. Our Council works hard to ensure that our CA’s in Bermuda receive value for money through local membership. While there are several areas where ICAB provides significant value to its membership such as student development, professional conduct, discipline, practice inspection, perhaps the most topical area is professional development. Structured and unstructured professional development requirements are now a reality for members of ICAB. Fifty-four courses were offered in Bermuda in the July 2008 to June 2009 period in a wide variety of disciplines, both technical and non technical. The Institute is fully supportive of the requirement of our members being engaged in ongoing training in a business world that is growing more complex and uncertain with each passing day. ICAB’s new website ([www.icab.bm](http://www.icab.bm)) makes registration easy. I encourage anyone who has not viewed the website to do so.

Other Council members will report on issues facing Bermuda and what their committees have done to move ICAB forward during the past year. I will highlight the broader issues affecting our profession that also affect Bermuda. The Canadian Institute of Chartered Accountants (“CICA”) developed a 3 year strategy document in 2008 for the CA profession. It listed the following strategic initiatives which contribute to the missions of the provincial and Bermuda institutes.

- Attract exceptional people to be CA’s and develop and support all members throughout their professional careers and into retirement.
- Enhance, promote and protect the CA profession so that it is the most valued, internationally recognized Canadian profession of leaders in senior management, advisory, financial, tax, and assurance roles.
- Ensure public trust and confidence in the CA profession through establishing, influencing, monitoring and enforcing high quality accounting, auditing, assurance and ethical standards and

practices, and seeking high uniform public accounting standards.

- Ensure organizational effectiveness.

There are more than 74,000 CA’s in Canada and Bermuda. Chartered Accountants are the largest accounting profession. A survey conducted across Canada revealed that 20% of the positions of Chair, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Corporate Secretary were held by CA’s. Our goal is to remain the pre-eminent accounting body in our profession. To be successful at this requires a delicate balance. We do not want to reduce quality to maintain scale. The initiatives listed above are supported by well defined and measurable action plans. Our profession is under more scrutiny than ever before and this will only increase.

The most gratifying work accomplished each year by the Institute relates to the ongoing support of our students. As Ron Burke states in his Student Affairs Committee report, it is critical that we deliver an organized and responsive program of professional study to our students. To this end, we were delighted that Doug Baker, Chair of the CICA, was able to be present in Bermuda for the convocation, in April, of Bermuda’s newest CA’s. It was an honour for me to stand next to Doug handing out the diplomas to these CA’s who will be tomorrow’s business leaders. I urge all CA’s in Bermuda to promote our profession to Bermuda’s youth. There are no certainties in life however as we know, the benefits of obtaining the CA designation alongside the work experience with auditing firms provides, in my view, unparalleled education and training for careers in business and related fields.

During the year we welcomed Jane Knight, Carlos Lee, Jennifer Thoews to the Council and said goodbye to Stephen Caton, Andrew Griffiths, and Tracy Turtle. I would like to personally thank Stephen, Andrew, and Tracy. They all made significant contributions to Council and without volunteers like them the Institute would not be the success that it is.

I would, on behalf of the Council and all CA’s in Bermuda, like to thank Tom Conyers for the extraordinary effort he put into his role as Chairman for the 2007/2008 years. Tom worked tirelessly with the

## Chair's Report (continued)

Council to address the issues affecting our local Institute. I am very pleased that Tom continues to play a role in ICAB through his work on ICAB committees and as a Board member of the CICA.

ICAB's President & Chief Executive Officer Phillip Gagle decided to return to the US during the year and we thank him for his dedication to the position during his term here. Phil was involved in a number of important initiatives for ICAB. We wish him well in his future endeavors. ICAB was very pleased to have Annarita Marion become our President & Chief Executive Officer. Annarita brings a wealth of experience to the position through work with auditing firms, in industry, as a director of companies based in Bermuda and through her involvement with Bermudian charities. It took her very little time to transition effectively into her new role. Annarita is ably

assisted by Susan MacLachlan, Director of Continuing Professional Development, and Wenda Aberdeen, Executive Assistant. We are very fortunate to have these three ladies working hard for our members. I would also like to thank the members of Council and our various committees for their support. They put in many hours of work for our membership while juggling careers and family life.

In closing, I would like to recognize the contributions made to ICAB and Bermuda by a special person. I stepped into the Chairman's position following the untimely passing of a great friend and colleague to many of us, Bill Jack. Bill epitomized what it meant to be a CA. He had tremendous character. He was a great leader, mentor, role model, husband, and father. He gave so much to this great profession that gave him so much. All of us at ICAB miss him.

## STUDENT

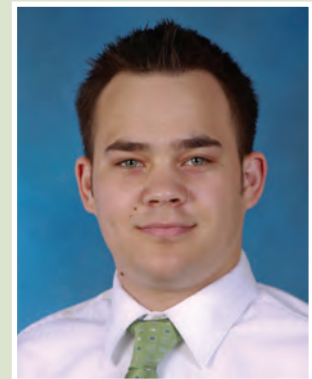
Young Bermudians considering accounting as a career path can look to this year's soon to be qualified accountants for inspiration. One such individual, young Bermudian Sean Pitcher, has embarked on the successful path of becoming an accountant. Sean is an example of one of our island's newest additions to the field of accounting and can serve as an inspiration for others.

Brimming with entrepreneurial spirit Sean first began his quest towards accounting with the realization that managing finances is the foundation of any successful business. As a young entrepreneur Sean tried out his skills by selling anything from fish to his successful ventures with woodworking. Rising from this Sean tried out his talents at construction, property management, planning and coordinating concerts and business development in an investment brokerage firm, each of these while still attending school.

Despite the many ventures and jobs Sean undertook on his way towards accounting he found that every successful business needed to keep a keen eye on their financial position. Realizing the importance of understanding the financial state of any venture, Sean discovered that accounting forms a solid foundation for building opportunities for the future. Thus, accounting as a career path became an easy choice when combined with its solid reputation as a good career with endless opportunities and growing demand.

In order to fulfill his aspirations Sean realized that a solid university education was essential to his success. As with any youth choosing the right university can prove an arduous challenge. After considerable deliberation Sean opted to attend the University of Guelph in Ontario, Canada, given its high stature in the Macleans magazine annual ranking of Canadian universities and the high regard held of

the Canadian education system. Guelph's reputation as a fun school with a longstanding history and strong social scene seemed as good as any for Sean in his goal of attaining a solid education while also meeting new and interesting people to build his social network. Sean is pleased to have graduated with a Bachelors of Commerce in 2007.



Pursuing a qualification as an accountant proved challenging but manageable. Never one to shy away from hard work Sean committed to doing what it takes to make it through the process. With the philosophy of getting it done quickly to sooner reap the rewards Sean knew sacrifice would be necessary and opted to spend as much time as possible studying. Sean's dedication alongside the resources provided by his employer, Ernst and Young, allowed him to successfully pass all of the exams required to become a Certified Public Accountant (CPA). Sean was able to achieve this in 6 months, allowing him to get the tough work out of the way early. Having passed his exams Sean has been able to return to making a name for himself within Ernst and Young, while also balancing a hearty helping of cycling, golf, fishing, cooking and traveling. Not one to rest lightly on his laurels Sean has now set his sights on his next designation as he prepares for the exams required to become a Chartered Financial Analyst (CFA) charterholder.

## Profile

# Professional Practice Committee



Craig I.V. Bridgewater, CA

2008/09 has been an exciting year with regards to the profession and developments in the regulatory arena in Bermuda. ICAB, through the Professional Practice Committee, was involved in consultations in the following areas during the year:

- continued changes to Bermuda’s Anti-money Laundering and Counter Terrorism Financing framework;
- continued enhancements of Bermuda’s regulatory framework in both the insurance and funds industries; and
- development of an independent oversight body for the public accounting profession to enable compliance with EU Directive #8.

In addition, ICAB assisted the Centre of Philanthropy (the “Centre”) in its development of a new Financial Management Guide – *Debits, Credits and Audits...a roadmap to financial accountability*. This guide was launched at the Centre’s recent third sector conference and is intended to give the charitable sector guidance on management and control of its finances and financial reporting. The Guide can be found on the Centre’s website at [www.centreonphilanthropy.org](http://www.centreonphilanthropy.org).

Details of each of the profession and regulatory-related matters noted above are as follows:

- *Changes to Bermuda’s legislation relating to anti-money laundering and counter terrorism financing* [see details of changes and the affect on our profession in the 2008 Annual Report]

As noted in the 2008 Annual Report, ICAB is to be designated as a supervisory authority in relation to monitoring compliance with the AML rules by its members.

Activities during the year included continued consultation with representatives of the National Anti-Money Laundering Committee (“NAMLC”) and “partnership” with the Bermuda Bar Association, who will be designated as the supervisory authority for the legal profession, in the development of a supervisory framework for our profession.

- *Proposed changes to Bermuda’s insurance regulatory framework*

The Insurance Sub-Committee, led by Colm Homan, reviewed and provided comment (as applicable) to the Bermuda Monetary Authority (BMA) on proposed changes to the insurance regulatory framework including:

- I. Class 4 GAAP Filing Requirement
- II. Public Disclosure of GAAP financial statements
- III. Revisions to audited statutory financial statements filings
- IV. Bermuda Solvency Capital Requirement (BSCR) Model
- V. New BMA Guidance Notes
- VI. Internal Models
- VII. Commercial Insurance Risk Assessment (CIRA)
- VIII. Class 3 Reclassification Project
- IX. Solvency II

A summary of these changes and the impact on our profession is to be posted to the ICAB website ([www.icab.bm](http://www.icab.bm)) for access by members.

The BMA continues to be proactive in the development and revision of Bermuda’s insurance regulation to help ensure that it remains effective. This has kept the Insurance Sub-Committee very busy and is expected to continue to do so in the foreseeable future.

- *Developing a framework to enable ICAB and its members to comply with EU Directive #8*

[see details of the Directive and its potential impact on the public accounting profession in the 2008 Annual Report]

During 2008/09, a sub-committee formed to address this issue has discussed the implications for Bermuda’s public accounting profession and whether it is desirable to have an independent oversight body established in Bermuda. The preliminary conclusion is that it is desirable to have such a body in Bermuda and the sub-committee is currently developing a proposed framework to present to the Bermuda Government for discussion.

## Professional Practice Committee (continued)

Items that are currently on the Committee's agenda and not separately discussed above include:

- consultation with the BMA, via the BIBA Investment Funds Committee, on changes to the Investment Funds Act 2006
- review of the recently released exposure draft *Generally Accepted Accounting Principles for Private Enterprises*. Adoption of the contents of this exposure draft is to provide a framework for private enterprises that are not publicly accountable and that do not have significant external users. Private enterprises would have a choice of reporting in accordance with Bermuda/Canada GAAP by adopting the same set of accounting standards as publicly accountable enterprises (IFRS) or the proposed standards for private enterprises.

The exposure draft can be found on the CICA's website ([www.cica.ca](http://www.cica.ca)) and the comment period closes on July 31, 2009. This accounting and reporting framework is expected to have a significant impact on many of our local businesses and so all members are encouraged to review it and provide any comments either through ICAB or directly to the Accounting Standards Board.

Thank you to all Committee members, sub-committee members and others that assisted the Committee in its

activities this year.

Discussion of matters that affect our profession at the ICAB level has many benefits including open discussion among all practicing members, consistency across the industry and effective dialogue with members of Bermuda's business and regulatory community. I encourage all members to continue to refer any issues that may affect our practicing members to the ICAB and, in turn, the Professional Practice Committee.

### COMMITTEE MEMBERS

Craig I.V. Bridgewater, CA  
Myron E. Binns Jr., CA  
Andrew J. Brook, CA  
R. Craig Christensen, CA  
Gwen Haller, CA  
Chad A. Critchley, CA  
Colm A. Homan, CA  
Stephen C. Kuzyk, CA  
Brendan O'Reilly, CA  
Tracy S.R. Pitt, CA  
Ronald E. Simmons, CA

Suzanne Williams,  
*Ex-officio – BMA representative, Insurance*

Graeme Dargie,  
*Ex-officio – BMA representative, Banking, Trusts & Investments*

Annarita Marion, JP, CA,  
*President and Chief Executive Officer, Ex-officio*



# Student Affairs Committee



*Ron J. Burke, CA*

The Student Affairs Committee is charged with assisting the Institute of Chartered Accountants of Bermuda (“ICAB”) and its strategic partners in delivering an organized and responsive program of professional study to students. To this end, the Committee has engaged in the attraction of students to the program, the fostering of training assistance during current student programs, and providing a network for students in and out of the work environment, as to ensure that they are equipped with the necessary skills to enable them to perform at their highest level both during their study program and within their final professional exam.

The Committee continues to be involved in recruiting efforts of the profession, having participated in several events throughout the past year, including the Bermuda International Business Association networking event, the Bermuda Careers Fair, as well as being a guest member for the Premier’s Student Tour, which had a recent stopover in Halifax, Nova Scotia, Canada. Participation in such events not only brings awareness of the accounting profession, but also, it illustrates the commitment that ICAB has in its youth, and the investment it is willing to make in the students and future business leaders of tomorrow. It goes without saying that participation in these events are paying off, as the 2008 Uniform Evaluation (“UFE”) writer numbers increased from that of the prior, with six writers challenging the 2008 UFE, three of which were first time writers, versus three writers in 2007. It is even more encouraging to see that student numbers continue to grow in Bermuda, with an expected number of writers for the 2009 UFE estimated to be 12. However, as we seek to grow the profession, the current economic environment presents us with many challenges, including being able to merely maintain current student levels. As a profession, and as a Committee, we see this as an opportunity, as we must now turn to non-traditional student in-flow streams. The Committee is poised to accept the challenges of today, ready to work with newly approved training offices and the students they produce, and ready to assist in preparing each student as they pursue careers as professional accountants.

This year, Bermuda welcomed into the CA profession, William Usher, as having successfully passed the 2008 UFE. The Committee would like to send out a special congratulations to William for having been successful with not only a long and challenging program of study, but also for being successful in his attempt on the UFE, which is seen to be one of the most difficult and challenging professional program and exam in the world. Well done William! To our unsuccessful writers, they should not be discounted, as they too have gone through the same grueling process. We would like to congratulate them on all of their efforts in 2008 and in the current year, and wish them every success on the 2009 UFE.

The success of the 2008 UFE was celebrated on April 18, 2009, with the Convocation of CAs and CPAs at the Elbow Beach Hotel. In addition to William Usher, ICAB welcomed into the CA profession students who studied and challenged the UFE from abroad, but now reside in Bermuda. These successful 2008 UFE writers included Jeffrey Bennett, Sam Cochrane, Scott Drewicki, Adam Foley, Maura Kearney, Jessica Laird, Caitlin Murray, and Dana Wieczorek. Successful CPA writers recognized during the Convocation included Ryan Cann, Heather Deveau, Sean Kelly, Alex Lines, Leo Lucisano, Sophia Peart-Iris, and Sean Pitcher. Congratulations to all our new CAs and CPAs! Special thanks goes out to William Usher, Sophia Pearl-Iris, Jessica Laird, Dana Wieczorek, Annarita Marion, Wenda Aberdeen, and Susan MacLachlan, for their organization of the event, and the superb evening that was enjoyed by all in attendance.

The Committee reaches out to its students on a regular basis, whether it be through planned social events aimed at promoting networking amongst the student body, newsletters to the students and membership, or through training programs designed to assist students during their current course of study. During the year the Committee offered several student training sessions designed to compliment each of their current courses being taken, which were hosted by both Bermuda facilitators, as well as by instructors from abroad. The Committee also held, for the first time in many years, a locally run three day UFE

## *Student Affairs Committee (continued)*

preparatory program. Based on the positive feedback from the session, it is the Committee's intention to continue to provide this training in future years. In an effort to expand the training offerings by the Committee, we intend also to incorporate CPA final exam study sessions, which are due to commence mid 2009. It is efforts such as these that the Committee strives to bring qualified instructors to Bermuda in order to provide students with the final skill sets and coaching they require in attempting their respective final exams. I would like to extend a special thank you to Jennifer Gosse, Nikki-Thomas Bell, Glen Masters, Andrea Dawe, Allison Fitzgerald, and William Usher for the successful delivery of the training sessions held throughout the year, as these sessions represent an important part of student development and preparation during their program of study.

It should be acknowledged that the activities of the Committee are on a volunteer basis, and I would like to thank all of the members of the Student Affairs Committee for their hard work and dedication throughout the year, for, without them, the Committee would not exist. In particular, I would like to thank Jennifer Gosse, for her role as Secretary to the Committee, and Loren Cann, for her efforts in assisting in the development, launch, and maintenance of ICAB's web site, along with its content provided in respect of the Committee. And finally, a very special thank you to Susan Darrell, a long serving member of the Committee, who, during my time on the Committee, has assisted me with many intricacies of the Committee, including recruiting events partic-

ipated in by the Committee, as well as coordination of student events and training sessions. Susan is due to retire in June 2009, and on behalf of the Committee we wish her all the best in her future endeavors, and her well deserved days of leisure.

Regards,

Ron J. Burke, CA, Chair

### **STUDENT AFFAIRS COMMITTEE MEMBERS**

Ron J. Burke, CA, *Chair*  
Wanda Mello, CA, CPA  
Karen Peckett  
Reneka Smith, CA  
Amy Adderley, CPA  
Andrea Dawe, CA  
Susan E. Darrell, *Ex-officio*  
Allison Fitzgerald, CA  
Sean Pitcher, *CPA Student Representative*  
Jennifer D. Gosse, CA, *Secretary*  
Glen N. Masters, CA  
Nikki C. Thomas-Bell, CA  
Lana Harper, CA  
Jane Knight, CA  
Francesca Bortoli, *CA Student Representative*  
Loren G. Cann, *Ex-Officio*  
Heather Walsh, *Ex-Officio*  
Annarita Marion, JP, CA,  
*President and Chief Executive Officer, Ex-officio*



# Public Awareness Committee



*Jennifer Thoews, CA*

The Public Awareness Committee (PAC) was revitalized in the 2008/2009 fiscal year through the appointment of a new Chair and by the addition of many new and enthusiastic members who joined the committee. As the committee regrouped we established a revised set of terms of reference and specific objectives for the committee.

Broadly, the PAC's objective is to serve as the communication point for all members and provide interaction with the general public and the media. The Committee's main responsibilities are to:

- keep the membership informed of all Institute activities and encourage participation therein;
- execute public relations initiatives to earn the understanding and increase the awareness of the general public towards our profession;
- encourage student enrollment in the profession by providing career information to Bermuda high school and university students; and
- work in conjunction with other committees to assist as required.

During the current year we updated our student advertising in *Your Future* magazine, recognizing our successful Bermuda and international CA graduates, all of which were honoured at ICAB's convocation ceremony on April 18, 2009. We continue to update our student materials, ensuring consistency with information provided by the CICA.

In July 2009 the PAC will be attending the Bermuda International Business Association's annual college student networking event, at which we hope to encourage college students to consider the accounting profession. We will provide an understanding of the educational requirements, both CA and CPA, and insight into the professional opportunities that await them.

We introduced our new Chairman, John Wight, to the public through an article in the *Royal Gazette* in March 2009. This article provided the public with information about the training route for Chartered Accountants and the opportunities that exist. We are

currently in the process of preparing another article to inform the public on what our profession means to Bermuda and to the public interest.

The Committee is now working on a number of current projects, such as preparing marketing materials, organizing high school surveys, holding presentations at schools and career days, re-establishing contact with Bermuda College and organizing speaking engagements. We will update our membership, through the ICAB website, of events that are taking place.

As Chair of the PAC, I extend my sincere thanks to the members of my committee, all of which serve with great enthusiasm and dedication. Without the work of the entire committee our message would not be reaching the public and ICAB's membership. While it has been a challenging year for the PAC, I believe we are on the right track to continue to complete our ongoing projects as well as develop new initiatives. While I rotate off as Chair of the PAC and onto new adventures, I trust that the incoming Chair will be in position to move all initiatives forward during next year's term.

Although my time on Council has been short, it has been a tremendous learning experience. I extend my thanks to John Wight and Annarita Marion, who assisted me throughout this year. It has been an honour to serve the Institute and a pleasure to do so with a group of such dedicated and able individuals.

## PUBLIC AWARENESS COMMITTEE MEMBERS 2008/2009

Jennifer Thoews, CA, *Chair*  
Andrew Kenny, CPA  
Anika DeShields, CA  
Cherie-Anne Dam, CA  
David Hills, CA  
Erica Fryer, CA  
Heather Cooper, CA, CFA  
Kathryn Lawrence, CPA  
Kim Griffith, CA

Annarita Marion, JP, CA,  
*President and Chief Executive Officer, Ex-officio*

# Applications Review Committee



*Ronald E. Simmons, CA*

The Applications Review Committee is responsible for vetting all applications for membership of the Institute and making the appropriate recommendations to the Council for possible admission.

During the 2008/2009 year the Committee vetted 92 applications, of which 86 were approved (3 subsequently did not join the Institute) and 3 were deferred. Of those joining, 70 were from public practice and 16 from industry.

Also during the year, 96 persons resigned from the Institute, the primary reason being persons moving off island.

No applications were withdrawn during the period under review.

## APPLICATIONS REVIEW COMMITTEE MEMBERS

Ronald E. Simmons, CA *Chair*

Samantha M. Froud, CA

Sarah J. Farrington, CA

Annarita G. Marion, JP, CA,

*President and Chief Executive Officer, Ex-officio*

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## CONGRATULATIONS TO OUR 2008 GRADUATES



There were 16 graduates (1 Bermuda CA, 8 Overseas CAs and 7 CPAs, with one who was unable to attend).

The Convocation was held on Saturday, April 18, 2009 at Elbow Beach Hotel with over a 100 guests. These are our 2008 graduates.

# Professional Development Committee



*Jane Knight, CA*

The ICAB Professional Development (CPD) Committee develops and maintains a comprehensive continuing education program to assist members to maintain and enhance their knowledge and improve their skills. The committee is also responsible for monitoring members' annual CPD submissions and ensuring compliance. The CPD committee reports to the Council.

2008 saw a great variety of different training opportunities being brought to the ICAB membership. In total there were 54 training sessions on topics ranging from accounting updates to fraud awareness, technology and presentation skills. These seminars were well attended by our members and feedback has been very good. We welcome input from members on topics that they would like to see brought to the program going forward. In these difficult economic times it is important that the training we offer provides value and directly relevant content to our members. In many cases we have brought in instructors and programs from overseas and members have commented that the ability to attend these CPD programs here in Bermuda has been particularly helpful.

In 2008, the CPD portion of the website was launched. The CPD portion of the ICAB website contains information about upcoming programs. Going forward we are working on enhanced functions such as registration and payment on-line, and also expect that members will be able to submit their annual compliance documentation through the website. There will be information and links on other CPD opportunities as well.

It has continued to be a focus of the Committee to monitor members CPD submissions and a portion of these are reviewed for compliance in more detail. During these reviews, members are asked to submit supporting documentation for training programs attended. Members who were not in compliance with their CPD requirements were informed of the shortfall, and actions plans developed to bring these members back into good standing.

In addition to the very active members of the Committee and in particular Susan MacLachlan, I would like to express thanks to the various accounting firms and companies who have allowed us to use their training facilities for our events. This helps us to keep our costs down for the benefit of the membership.

## 2008 COMMITTEE MEMBERS:

Jane Knight, CA, *Chair*

Susan MacLachlan, *Director of Continuing Professional Development, ex-officio*

Scott Quayle, CA

Craig Redcliffe, CA

Shareena Hall, CA

Sarah Pinto, CA

Dee-Ah Iris, CA

Annarita Marion, JP, CA,  
*President and Chief Executive Officer, Ex-officio*



# STUDENT

As with many young children William Usher had a number of career aspirations as a young boy. Practically every month he would switch possible professions ranging from a janitor to an astronaut. But as time went on and the need to make a decision on a career choice increased, William wondered what a career in accounting would be like. In his junior year of high school he completed two bookkeeping courses, both of which he excelled in. From this point forward the decision to become an accountant was made.

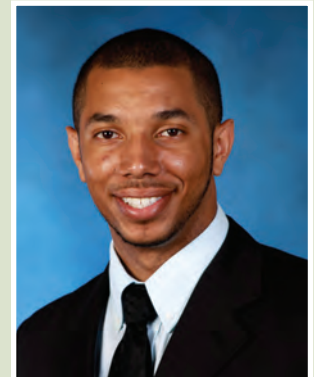
Attending the Halifax Grammar School, located in Halifax, Nova Scotia, for his final year of High School, William had grown fond of the city of Halifax and made many friendships. He then decided to pursue his undergraduate degree at Saint Mary's University (SMU); only steps away from his high school. It was the only university that William applied to because of its reputable business program, comparatively low number of students in each class, and his familiarity with the campus.

While at SMU William was enrolled in the Bachelor of Commerce program with a concentration in accounting. He graduated cum laude in May 2007 and moved on to the next step of his accounting career; achieving his designation as a Chartered Accountant (CA).

Regarding the CA program William says "A benefit of the CA program is that it is very structured. Going into the program candidates know that they will have to do tax technical, four modules and the Uniform Final Examination (UFE). The modules are 8 to 10 weeks courses, each with an examination at the end, that build upon one another in order to get candidates prepared to sit the UFE. Each module is difficult but candidates can make it less difficult on themselves by staying on top of their weekly assignments.

The UFE is a 3 day exam in which most candidates have between five to eight weeks to prepare. During those weeks, candidates have

the opportunities to attend UFE prep courses such as Densmore & UFE prep. During my weeks of preparing for the UFE, I studied with my study partner from 9 to 4. My advice to candidates would be to take the suggestions of a UFE instructor that gives you the most confidence and put it into practice as early as possible. Confidence plays a huge role in attacking the UFE."



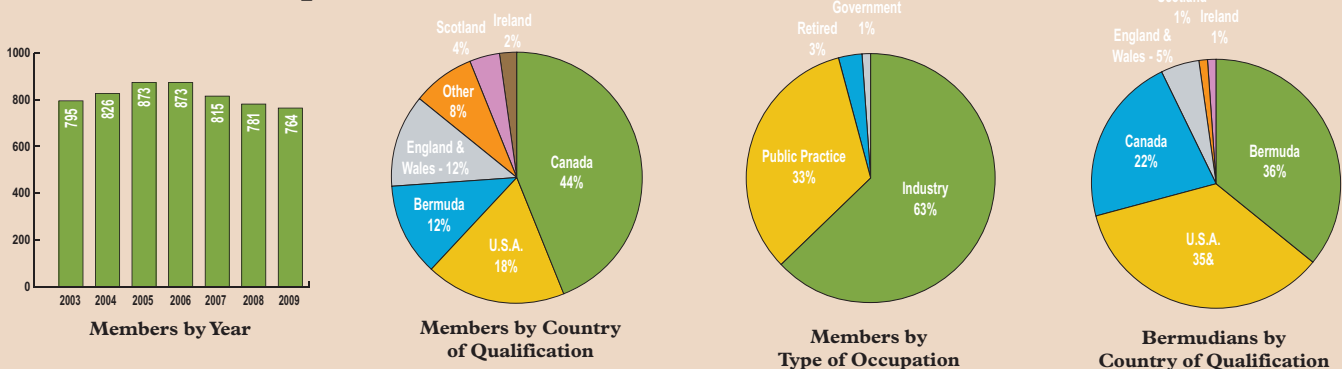
On his experience of becoming a CA, William says "The road to becoming a Chartered Accountant is not easy. Instead of trying to juggle a work-life balance you have to juggle a work-life-study balance, which can be an overload for many people. But looking back on it, passing the UFE was the most gratifying experience in my life thus far. After conquering a beast like the UFE you feel as if there isn't much in the working world that you can't do."

Now that William no longer has to study he spends his free time weightlifting at the gym or working on his music as an aspiring rap artist; a fact that surprises many when they first find out.

When asked what his current goals are and what advice would he give to others trying to pursue a career in accounting, William says "My main goal in life is to be successful. I hope to inspire youth to be successful as the success stories I grew up hearing inspired me. My advice to students who are interested in or pursuing a career in accounting would be to stay focused and stay confident in their abilities. Believing in themselves is what matters most."

## Profile

### ICAB Membership Statistics



# Council and Committees

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## COUNCIL

### Chair

R. John Wight, CA  
B F & M Insurance Group

### Vice-Chair

Samantha M. Froud, CA  
ACE Limited

### Secretary

Carlos C. Lee, CA  
Attorneys Liability Assurance Society (Bermuda) Ltd.

### Treasurer

Chad A. Critchley, CA  
Ernst & Young

### Other Members

Craig I.V. Bridgewater, CA  
KPMG

Ronald Burke, CA  
Dundee Leeds Group of Companies

Sarah J. Farrington, CA  
Conyers, Dill & Pearman

D. Jane Knight, CA  
PricewaterhouseCoopers

Ronald E. Simmons, CA  
Moore, Stephens & Butterfield

David F. Skinner, CA  
ASPEN Insurance Holdings Ltd.

Jennifer Thoews, CA  
KPMG

### CICA Representative

Kevin Dancey, CA  
President & Chief Executive Officer, CICA

## STAFF

### President and Chief Executive Officer

Annarita G. Marion, JP, CA

### Executive Assistant

Wenda A.L. Aberdeen

### Director of Continuing Professional Development

Susan MacLachlan

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## CICA & INTER-PROVINCIAL COMMITTEES & TASK FORCES

### Council of Presidents

R. John Wight, CA

### Leadership Group (CICA)

R. John Wight, CA

### Selection Council

R. John Wight, CA

### Council of Senior Executives (CSE)

Annarita G. Marion, JP, CA

### Ethics Standards Harmonization Committee (ESHC)

George H. Holmes, CA, Chairman

### International Qualifications Appraisal Board (IQAB)

Annarita G. Marion, JP, CA

### Public Trust Task Force (CICA)

Annarita G. Marion, JP, CA

## ATLANTIC SCHOOL OF CHARTERED ACCOUNTANCY

### Board of Directors

Ronald Burke, CA  
Wanda Mello, CA

## ATLANTIC REGION OFFICERS GROUP (AROG)

### Board of Directors

R. John Wight, CA  
Samantha M. Froud, CA  
Annarita G. Marion, JP, CA

## ICAB AND OTHER COMMITTEES & TASK FORCES

### Nominating Committee

Andrew D. Parsons, CA, *Chair*  
N. Thomas Conyers, FCA  
Tracey S.R. Pitt, CA  
Annarita G. Marion, JP, CA, *ex-officio*

### Standing Committee on By-laws, Rules and Interpretations (SCOBRI)

George H. Holmes, CA, *Chairman*

### Legal Aid Committee

Roderick C. Romeo, Jr., CA, *ICAB Representative*

*Financial Statements  
and  
Independent Auditors' Report*

**March 31, 2009**



# ARTHUR MORRIS, CHRISTENSEN & CO.

CHARTERED ACCOUNTANTS

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16 PAR-LA-VILLE ROAD  
P.O. BOX HM 1806  
HAMILTON HM HX, BERMUDA

TELEPHONE: (441) 292-7478  
FACSIMILE: (441) 295-4164  
E-MAIL: ctc@cml.bm

## 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, 2009, 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.

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, 2009 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.

*Arthur Morris, Christensen & Co.*

**Hamilton, Bermuda**  
**May 5, 2009**

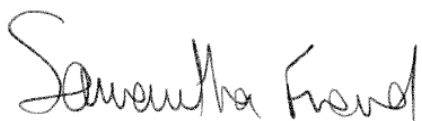
## Statement of Financial Position

as at March 31, 2009

(Expressed in Bermuda Dollars)

	2009	2008
<b>Current Assets</b>		
Cash	\$ 25,685	\$ 18,985
Fixed deposits (note 3)	279,659	316,428
Accounts receivable	41,194	10,475
Interest receivable	6,239	6,048
Prepaid expenses	2,926	2,329
	<u>355,703</u>	<u>354,265</u>
<b>Property and Equipment (note 4)</b>	<u>48,291</u>	<u>60,074</u>
	<u>\$ 403,994</u>	<u>\$ 414,339</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 99,127	\$ 73,492
<b>Net Assets</b>		
Unrestricted net assets	<u>304,867</u>	<u>340,847</u>
	<u>\$ 403,994</u>	<u>\$ 414,339</u>

Approved by the Executive Committee



Vice Chair



Secretary

The accompanying notes form an integral part of these financial statements

## *Statement of Operations and Changes in Net Assets*

for the year ended March 31, 2009

(Expressed in Bermuda Dollars)

	<b>2009</b>	<b>2008</b>
<b>Revenues</b>		
Membership fees	\$ 514,201	\$ 465,516
Less: CICA fees	<u>(223,437)</u>	<u>(213,210)</u>
Membership fees retained	290,764	252,306
Interest	14,412	21,303
Admission fees	<u>19,575</u>	<u>11,100</u>
	<u>324,751</u>	<u>284,709</u>
<b>Expenses</b>		
Salaries and benefits	300,186	232,982
Rent and office maintenance (note 6)	54,453	40,108
Conferences and committees	33,230	22,817
Disciplinary expense	23,074	17,718
Information technology consulting	16,795	15,818
Communication	15,702	12,489
Depreciation	15,009	6,507
Printing and stationery	9,237	9,855
Insurance	7,731	8,121
Advertising	6,106	4,746
Miscellaneous	5,871	1,913
Executive council expense	4,220	4,717
Legal fees	2,319	4,420
Foreign exchange (gain) loss (note 7)	<u>(18,681)</u>	<u>45,721</u>
	<u>475,252</u>	<u>427,932</u>
Deficiency of operating revenues over operating expenses	<u>(150,501)</u>	<u>(143,223)</u>
<b>Program Revenues (Expenses) (note 5)</b>		
Professional development	145,912	64,321
Student affairs	1,983	763
Public awareness	<u>(33,374)</u>	<u>(27,318)</u>
Total net program revenues	<u>114,521</u>	<u>37,766</u>
<b>Deficiency of Revenues over Expenses</b>	<u>(35,980)</u>	<u>(105,457)</u>
<b>Unrestricted Net Assets, Beginning of Year</b>	<u>340,847</u>	<u>446,304</u>
<b>Unrestricted Net Assets, end of Year</b>	<u>\$ 304,867</u>	<u>\$ 340,847</u>

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

## *Statement of Cash Flows*

as at March 31, 2009

*(Expressed in Bermuda Dollars)*

	<b>2009</b>	<b>2008</b>
<b>Cash and Deposits provided by (used for):</b>		
<b>Operating Activities</b>		
Deficiency of revenues over expenses	\$ (35,980)	\$ (105,457)
Depreciation	15,009	6,507
Changes in non-cash operating balances:		
Accounts receivable	(30,719)	13,105
Interest receivable	(191)	764
Prepaid expenses	(597)	(1,506)
Accounts payable and accrued expenses	<u>25,635</u>	<u>12,844</u>
Net cash (used in) provided by operating activities	(26,843)	(73,743)
<b>Investing Activities</b>		
Additions to property and equipment	<u>(3,226)</u>	<u>(22,162)</u>
<b>Decrease in Cash and Deposits</b>	(30,069)	(95,905)
<b>Cash and Deposits, beginning of Year</b>	<u>335,413</u>	<u>431,318</u>
<b>Cash and Deposits, end of Year</b>	<u>\$ 305,344</u>	<u>\$ 335,413</u>

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

# Notes to the Financial Statements

as at March 31, 2009

(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.

### 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.

### ADOPTION OF NEW ACCOUNTING STANDARDS

The Canadian Institute of Chartered Accountants has issued several new accounting standards that are applicable to the Institute's 2009 financial statements. The new accounting standards adopted are as follows:

## Notes to the Financial Statements

(Continued)

### 2. Summary of Significant Accounting Policies (continued)

#### Financial Instruments and Capital Disclosures

Handbook section 3861, Financial Instruments – Disclosures, outlines disclosure requirements for financial instruments and places increased emphasis on disclosures about the risks associated with recognised and unrecognized financial instruments, and how these risks are managed. The Institute has included the required disclosures in these financial statements.

#### Capital management

Handbook section 1535, Capital disclosures, requires disclosure of information that enables users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.

### 3. Fixed Deposits

The following interest bearing fixed deposits which represent 69% of the Institutes assets are with Capital G Bank Limited:

\$137,567 matures on October 5th, 2009

\$142,092 matures on October 25th, 2009

### 4. Property and Equipment

Property and equipment comprise:

	Cost	Accumulated Amortization	2009 Net book value	2008 Net book value
Office equipment	\$ 18,020	\$ 17,603	\$ 417	\$ 607
Computer equipment	20,224	15,498	4,726	8,711
Furniture and fixtures	41,729	12,695	29,034	29,690
Website and related software	21,066	6,952	14,114	21,066
	<u>\$ 101,039</u>	<u>\$ 52,749</u>	<u>\$ 48,291</u>	<u>\$ 60,074</u>

### 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	2009 Net	2008 Net
Professional development	\$ 409,888	\$ 263,976	\$ 145,912	\$ 64,321
Student affairs	15,201	13,218	1,983	763
Public awareness	95,823	129,197	(33,374)	(27,318)
	<u>\$ 520,912</u>	<u>\$ 406,391</u>	<u>\$ 114,521</u>	<u>\$ 37,766</u>

## ***Notes to the Financial Statements***

*(Continued)*

### **6. Commitment**

The Institute has entered into a lease for the office space it occupies at a monthly rent of \$3,070 (\$2008 - 3,070).

### **7. Financial Instruments and Capital Management**

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

#### **Fair Value**

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

#### **Credit and interest rate 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. Changes in interest rate will result in changes in amount of interest earned on fixed deposits.

#### **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 gain for the year ended March 31, 2009 arose on the movement in the Canadian dollar exchange rate from April 1, 2008, 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.

#### **Capital management**

The Institute manages its operations to maintain adequate capital to enable it to fulfill its mission and vision objectives which foster public confidence in the CA profession by acting in the public interest and helping our members excel.

### **8. Comparative Balances**

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