



**ANGUILLA CHAMBER OF  
COMMERCE AND INDUSTRY LTD.**

Financial Statements

December 31, 2018

(Expressed in United States Dollars)

# CONTENTS

Page 1	Chamber Information
Pages 2 - 4	Independent Auditors' Report
Page 5	Statement of Financial Position
Pages 6	Statement of Activities and Changes in Net Assets
Pages 7	Statement of Cash Flows
Pages 8 - 19	Notes to the Financial Statements

# CHAMBER INFORMATION

1

## **REGISTERED OFFICE**

P.O Box 321, The Valley  
Anguilla, BWI

## **DIRECTORS**

Mr. Desron Bynoe - Supporting Director/ (Acting President - resigned November 14,2018)  
Ms. Sandra Lovell- President  
Mrs. Heather Wallace-Vice President  
Mrs. Latoya Hobbs-Nurse- Secretary  
Mrs. Felicia Hill - Treasurer  
Mr. Trevor Woodley - Supporting Director (resigned November 14, 2018)  
Mrs. Vida Lloyd-Richardson - Supporting Director  
Mr. Hayden Hughes- Supporting Director  
Mr. Mark Romney- Supporting Director

## **BANK**

National Commercial Bank of Anguilla Limited  
1 St Mary's Street  
P.O. Box 44, The Valley  
Anguilla, BWI

## **AUDITOR**

BDO LLC  
Chartered Accountants  
17 Fairplay Complex  
Cosley Drive  
The Valley  
Anguilla, BWI



BDO LLC  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Anguilla Chamber of Commerce and Industry Ltd.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Anguilla Chamber of Commerce and Industry Ltd. (the "Chamber"), which comprise:

- the statement of financial position as at December 31, 2018;
- the related statements of activities and changes in net assets and statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Chamber as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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



## INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Board of Directors of Anguilla Chamber of Commerce and Industry Ltd.

### Report on the Audit of the Financial Statements *(continued)*

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chamber's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Chamber to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## INDEPENDENT AUDITOR'S REPORT *(continued)*

To the Board of Directors of Anguilla Chamber of Commerce and Industry Ltd.

### Report on the Audit of the Financial Statements *(continued)*

#### Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

**Chartered Accountants**  
The Valley, Anguilla  
th of August 2019

**ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.**  
**Statement of Financial Position**  
**As at December 31, 2018**

(Expressed in United States Dollars (US\$))

	<i>Notes</i>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>			
Cash in bank	7	<b>19,985</b>	15,433
Accounts receivable	8	<b>861</b>	3,013
Other assets	9	<b>10,707</b>	2,086
Property and equipment - net	10	<b>6,881</b>	11,236
<b>TOTAL ASSETS</b>		<b>38,434</b>	<b>31,768</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	11	<b>7,057</b>	8,252
Deferred income	13	-	1,323
Total liabilities		<b>7,057</b>	9,575
<b>NET ASSETS</b>			
Unrestricted net assets		<b>31,377</b>	22,193
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>38,434</b>	<b>31,768</b>

The financial statements on pages 5 to 18 were approved and authorized for issue by the Board of Directors on August \_\_, 2019 and were signed on its behalf by:

\_\_\_\_\_  
 Ms. Sandra Lovell  
*President*

\_\_\_\_\_  
 Mrs. Latoya Hobbs-Nurse  
*Secretary*

*The notes on pages 8 to 19 are integral part of these financial statements*

**ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.**  
**Statements of Activities and Changes in Unrestricted Net Assets**  
**For the Year Ended December 31, 2018**

(Expressed in United States Dollars (US\$))

	<i>Notes</i>	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>			
Government contributions	12	<b>62,544</b>	62,544
Events and programs	13	<b>33,536</b>	12,820
Membership fees		<b>20,850</b>	25,575
Donation	10	<b>250</b>	11,093
Interest		<b>99</b>	93
Others		<b>166</b>	214
<b>Total income</b>		<b>117,448</b>	112,339
<b>EXPENSES</b>			
Salaries and employee benefits	14	<b>(48,537)</b>	(60,610)
Professional fees		<b>(14,278)</b>	(16,200)
Events and programs	13	<b>(12,529)</b>	(5,100)
Telephone		<b>(5,815)</b>	(5,309)
Depreciation	10	<b>(4,355)</b>	(4,436)
Other chamber activities		<b>(4,201)</b>	(4,159)
Office expenses		<b>(4,167)</b>	(6,710)
Utilities		<b>(3,907)</b>	(2,368)
Impairment loss	8	<b>(3,706)</b>	(1,746)
Marketing and travel		<b>(2,270)</b>	(1,605)
Repairs and maintenance		<b>(2,159)</b>	(3,254)
Bank charges		<b>(1,166)</b>	(1,092)
Miscellaneous expense		<b>(1,173)</b>	(1,646)
<b>Total expense</b>		<b>(108,263)</b>	(114,235)
<b>NET CHANGES IN UNRESTRICTED NET ASSETS</b>		<b>9,184</b>	(1,896)
<b>UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR</b>		<b>22,193</b>	24,089
<b>UNRESTRICTED NET ASSETS AT END OF YEAR</b>		<b>31,377</b>	22,193

*The notes on pages 8 to 19 are an integral part of these financial statements.*



**ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2018**

(Expressed in United States Dollars (US\$))

	<i>Note</i>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>			
Receipts from operations		<b>107,173</b>	110,347
Payment to suppliers and employees		<b>(02,721)</b>	(105,122)
<b>Net cash provided by/(used) in operating activities</b>		<b>4,452</b>	(5,225)
<b>Cash flows from an investing activities</b>			
Purchase of property and equipment	<i>10</i>	-	(11,093)
Interest received		<b>99</b>	93
<b>Net cash from/(used in) investing activities</b>		<b>99</b>	(11,000)
<b>Net increase/(decrease) in cash</b>		<b>4,552</b>	(5,775)
<b>Cash at beginning of year</b>		<b>15,433</b>	21,208
<b>Cash at end of year</b>		<b>19,985</b>	15,433

*The notes on pages 8 to 19 are an integral part of these financial statements*

**ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.**  
**Notes to the Financial Statements**  
**December 31, 2018**

[Expressed in United States Dollars (US\$)]

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**1. General information**

Anguilla Chamber of Commerce and Industry Ltd. ('the Chamber') is a non-profit company incorporated under the Companies Act in Anguilla on March 14, 2001.

The objective of the Chamber is to foster the development of business activities including entrepreneurial education and job training, economic diversification, promotion of trade, commerce and tourism related activities.

The liabilities of its members are limited by guarantee of US\$18.60 each (EC\$50 Eastern Caribbean Dollars) towards the asset of the Chamber.

The registered office and place of business of the Chamber is located at PO Box 321, The Valley, Anguilla, British West Indies.

**2. Basis of preparation**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB).

**(b) Basis of measurement**

The financial statements of the Chamber have been prepared on the historical cost basis.

**(c) Functional and presentation currency**

These financial statements are presented in United States Dollars, which is the Chamber's functional and presentation currency. Except as otherwise indicated, financial information presented in United States Dollars has been rounded to the nearest dollar.

**(d) Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 6 to the financial statements.

[Expressed in United States Dollars (US\$)]

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### 3. Significant accounting policies

#### (a) Property and equipment

##### *i. Recognition and measurement*

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net in the statement of activities.

##### *ii. Subsequent costs*

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Chamber and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in the statement of activities as incurred.

##### *iii. Depreciation*

Depreciation is recognized in the statement of activities on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives of the Chamber's property and equipment range from 3 to 5 years.

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

#### (b) Cash

Cash comprises of cash balances in bank that are not subject to a significant risk of change in value.

#### (c) Accounts payable and accrued expenses

Accounts payable and accruals are stated at cost, which is the fair value of the consideration to be paid in the future.

[Expressed in United States Dollars (US\$)]

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**3. Significant accounting policies *(continued)***

**(d) Impairment**

The carrying value of the Chamber's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of activities.

If in subsequent periods the amount of impairment loss decreases and the decrease can be linked objectively to an event occurring after the write down, the write down is reversed through the statement of activities.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized in prior years.

**(e) Foreign currency transactions**

Transactions in foreign currencies are translated to US Dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to US Dollars at the exchange rate at that date.

Foreign exchange differences arising on conversion and translation are recognized in the statement of activities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to US Dollars at the exchange rate at the date of the acquisition.

**(f) Revenue recognition**

- i. Government contribution is recognized in the statement of activities as income in the year in which it is due.
- ii. Revenue from events and programs is recognized in the year in which the event or program takes place.
- iii. Revenue from membership fees is recognized in the year in which invoices are issued.

**(g) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

[Expressed in United States Dollars (US\$)]

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**3. Significant accounting policies *(continued)***

**(h) Provision**

A provision is recognized if, as a result of a past event, the Chamber has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(i) Related party transactions**

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

**(j) Subsequent events**

Post year-end events that provide additional information about the Chamber's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes when material.

**(k) Events after reporting date**

Post year-end events that provide additional information about the Chamber's financial position as at the reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

**(l) New standards, interpretations and amendments effective from 1 January 2018**

The accounting policies adopted are consistent with those of the previous financial year except that the Chamber has adopted the following new and amended IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations as of January 1, 2018:

**IFRS 9, Financial Instruments** - This standard replaces IAS 39, Financial Instruments: Recognition and Measurement (and all the previous versions of IFRS 9). It provides requirements for the classification and measurement of financial assets and liabilities, impairment, hedge accounting, recognition, and derecognition.

IFRS 9 requires all recognized financial assets to be subsequently measured at amortized cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which these are held and its contractual cash flow characteristics.

[Expressed in United States Dollars (US\$)]

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3. Significant accounting policies *(continued)*

(l) New standards, interpretations and amendments effective from 1 January 2018 *(continued)*

For financial liabilities, the most significant effect of IFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, IFRS 9 introduces an “expected credit loss” model based on the concept of providing for expected losses at inception of a contract; recognition of a credit loss should no longer wait for there to be objective evidence of impairment.

For hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures.

The derecognition provisions are carried over almost unchanged from IAS 39.

Based on the Chamber’s analysis of its business model and the contractual cash flow characteristics of its financial assets and liabilities as at December 31, 2018, the Chamber has concluded that all of its financial assets and liabilities shall be recorded and presented under IFRS 9.

Also, the Chamber assessed that the adoption of IFRS 9, specifically on determining impairment loss using simplified approach (or general approach, as applicable), has an impact on the carrying amounts of the Chamber’s financial assets carried at amortized cost (and/or other comprehensive income). However, there were no significant impact on the operation of the Chamber and a comparative restatements and reclassifications are not necessary.

**IFRS 15, Revenue from Contracts with Customers** - The new standard replaces IAS 11, Construction Contracts, IAS 18, Revenue, and their related interpretations. It establishes a single comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g. the point at which revenue is recognized, accounting for variable considerations, costs of fulfilling and obtaining a contract, etc.).

**Amendments to IFRS 15, Revenue from Contract with Customers** - Clarification to IFRS 15 - The amendments provide clarifications on the following topics: (a) identifying performance obligations; (b) principal versus agent considerations; and (c) licensing. The amendments also provide some transition relief for modified contracts and completed contracts.

The adoption of IFRS 15 has no impact in the timing of the Chamber’s revenue recognition.

[Expressed in United States Dollars (US\$)]

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3. Significant accounting policies (continued)

(m) New standards, amendments to standards and interpretations not yet effective and not yet adopted:

A number of new standards, amendments to standards and interpretations that have been issued but are not yet effective as at December 31, 2018 or not relevant to the Chamber's operations. These are as follows:

- *IFRS 16 Leases (effective January 1, 2019)*  
IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payment resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

- *IFRS 16 Leases (effective January 1, 2019)*  
Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all lease using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

The Chamber does not anticipate early adopting IFRS 16 and is currently evaluating its impact.

- *Amendments to IFRS 9, Financial Instruments - Prepayment Features with Negative Compensation*  
The amendments allow entities to measure particular pre-payable financial assets with negative compensation at amortized cost or at fair value through other comprehensive income (instead of at fair value through profit or loss) if a specified condition is met. It also clarifies the requirements in PFRS 9, Financial Instruments for adjusting the amortized cost of a financial liability when a modification or exchange does not result in its derecognition (as opposed to adjusting the effective interest rate).

The Company is currently assessing the impact of these amendments in its financial statement in subsequent period.

[Expressed in United States Dollars (US\$)]

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**3. Significant accounting policies (continued)**

**(m) New standards, amendments to standards and interpretations not yet effective and not yet adopted:**

▪ *Amendments to IAS 28, Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*

The amendments clarify that long-term interests in an associate or joint venture that, in substance, form part of the entity's net investment but to which the equity method is not applied, are accounted for using IFRS 9, Financial Instruments. Under prevailing circumstances, the adoption of this is not expected to have any material effect on the financial statements of the Company.

**4. Financial risk management**

**Overview**

The Chamber has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Chamber's exposure to each of the above risks, the Chamber's objectives, policies and processes for measuring and managing risk, and the Chamber's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Directors have overall responsibility for the establishment and oversight of the Chamber's risk management framework.

The Chamber's risk management policies are established to identify and analyze the risks faced by the Chamber, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Chamber's activities.

The Directors oversee how management monitors compliance with the Chamber's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Chamber.

**Credit risk**

Credit risk is the risk of financial loss to the Chamber if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Chamber's accounts receivable and cash.



ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.  
Notes to the Financial Statements (continued)  
December 31, 2018

[Expressed in United States Dollars (US\$)]

4. Financial risk management (continued)

*Exposure to credit risk*

The carrying amount of net financial assets represents the maximum credit exposure of the Chamber presented as follows:

	2018	2017
Accounts receivable	861	3,013
Cash	19,985	15,433
	<b>20,846</b>	<b>18,446</b>

As at December 31, 2018 and 2017, the net financial assets which potentially expose the Chamber to credit risk are not past due.

**Liquidity risk**

Liquidity risk is the risk that the Chamber will not be able to meet its financial obligations as they fall due. The Chamber's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Chamber's reputation.

The contractual maturities of the Chamber's financial liabilities which are the accounts payables and accrued expenses as at December 31, 2018 and 2017 amounting to \$7,057 and \$8,252 respectively, are due in less than one year.

**Market risk**

Market risk represents the potential loss that can be caused by a change in the market value of the Chamber's financial instruments. The Chamber's exposure to market risk is determined by a number of factors, including interest rates, exchange rates and market prices.

As at December 31, 2018 and 2017, the Chamber is not exposed to any cash flow and fair value interest rate risks and market price risk.

**Fair value**

The estimated fair value of cash in banks with no stated maturity is the amount repayable on demand. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As at December 31, 2018 and 2017, the fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Accounts receivable	861	861	3,013	3,013
Cash	19,985	19,985	15,433	15,433
Accounts payable	(7,057)	(7,057)	(8,252)	(8,252)
	<b>13,789</b>	<b>13,789</b>	10,194	10,194

[Expressed in United States Dollars (US\$)]

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## 5. Determination of fair values

A number of the Chamber's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

- (a) Cash  
The fair value of cash approximates carrying value due to its short-term nature.
- (b) Accounts receivable  
The fair value of accounts receivable approximates carrying value due to its short-term nature.
- (c) Accounts payable  
The fair value of accounts payable approximates carrying value due to its short-term nature.

## 6. Critical accounting estimates and judgments

The Chamber makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the critical estimates and judgments used in applying accounting policies that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year and/or in future periods:

### (a) Determination of fair values

The fair values of financial and non-financial assets and liabilities have been determined for measurement and/or disclosure purposes based on the methods described in Note 5 to the financial statements.

### (b) Estimated useful lives of property and equipment

The Chamber estimates useful lives of property and equipment based on the period over which the assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence.

## 7. Cash in bank

The cash in bank represents deposits with the National Commercial Bank of Anguilla which earn interest at the rate of 1.0% per annum. Total interest income earned amounted to \$99 for the year ended December 31, 2018.

In August 2013, National Bank of Anguilla Limited and Caribbean Commercial Bank (Anguilla) Ltd. were placed in Conservatorship. In April 2016, these banks were amalgamated to form a new Government of Anguilla owned bank called the National Commercial Bank of Anguilla Limited. The Chamber has continued to use the cash held with this bank for its day to day banking activities.

ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.  
Notes to the Financial Statements (continued)  
December 31, 2018

[Expressed in United States Dollars (US\$)]

7. Cash in bank (continued)

A total cash of \$10,147 is being restricted for specific purpose. See note 9 for the details.

8. Accounts receivable

	2018	2017
Membership fee	4,846	4,696
Interest receivable	17	63
Allowance for impairment loss	(4,002)	(1,746)
	861	3,013

The movement of the allowance for impairment loss follows:

	2018	2017
Balance at beginning of year	1,746	-
Provision for the year	3,706	1,746
Accounts written-off	(1,450)	-
Balance at end of year	4,002	1,746

9. Other assets

	2018	2017
Restricted cash	10,147	1,526
Prepayments	560	560
	10,707	2,086

Breakdown of restricted cash is as follows:

	2018	2017
Scholarship fund	7,750	1,526
Anguilla 44 welcome vouchers	2,397	-
	10,147	1,526

Restricted cash consists of proceeds from various programs and events net of the related expenses which are restricted for specific purpose (see Note 13).

ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.  
Notes to the Financial Statements (continued)  
December 31, 2018

[Expressed in United States Dollars (US\$)]

10. Property and equipment - net

	Computers	Furniture and Equipment	Motor Vehicle	Total
<b>Cost</b>				
December 31, 2016	28,428	35,100	7,900	71,428
Disposals	5,545	5,548	-	11,093
December 31, 2017	33,973	40,648	7,900	82,521
Acquisition	-	-	-	-
<b>December 31, 2018</b>	<b>33,973</b>	<b>40,648</b>	<b>7,900</b>	<b>82,521</b>
<b>Accumulated depreciation</b>				
December 31, 2016	27,509	34,292	5,048	66,849
Depreciation	1,343	1,118	1,75	4,436
December 31, 2017	28,852	35,410	7,023	71,285
Depreciation	2,267	1,211	877	4,355
<b>December 31, 2018</b>	<b>31,119</b>	<b>36,621</b>	<b>7,900</b>	<b>75,640</b>
<b>Carrying amount</b>				
December 31, 2017	5,121	5,238	877	11,236
<b>December 31, 2018</b>	<b>2,854</b>	<b>4,027</b>	<b>-</b>	<b>6,881</b>

Management believes that there are no indications of impairment on the remaining assets as at December 31, 2018.

11. Accounts payable

Details of the accounts payable follow:

	2018	2017
Professional fees	6,025	5,050
Others	1,032	1,594
	<b>7,057</b>	<b>6,644</b>

12. Government contributions

In 2008, the Government of Anguilla (the "Government") and the Chamber drafted a Cooperation Agreement wherein the Government will provide an annual subvention to the Chamber in an amount equivalent to but not exceeding fifteen percent (15%) of the audited annual revenue realized from business licenses paid in accordance with the Trades, Businesses, Occupations and Professions Licensing Act or any statutory modification or re-enactment thereof or eighty percent (80%) of the Chamber's annual budget, whichever is lower, for a period of three (3) years from the date of this agreement. Thereafter, the Government will:

ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.  
Notes to the Financial Statements *(continued)*  
December 31, 2018

[Expressed in United States Dollars (US\$)]

12. Government contributions *(continued)*

- a. extend such operational support as justified by the Chamber's proposed budgets, business planning and program achievements, and/or
- b. the Government will draft and submit for legislative approval such Bills as may be necessary or appropriate to give effect to provisions of this agreement and/or to facilitate the promotion, development and efficient ongoing operation of the Program thereafter.

The subvention is subject to the terms and conditions wherein the Chamber will be a vital resource to every Anguillian business by providing entrepreneurial, education, networking, communications and other business events.

For the past two years the Government granted the Chamber a fixed monthly contribution of US\$5,212 in lieu of the initial agreement stated above.

13. Events and programs

Details of this account follows:

	2018	2017
Revenue		
Fund raising	33,538	11,000
Anguilla 44 welcome vouchers	-	1,820
Sponsorships	-	-
	<b>33,538</b>	<b>12,820</b>
Expenses		
Fundraising	(12,529)	(3,261)
Anguilla 44 welcome vouchers	-	(1,839)
	<b>(12,529)</b>	<b>(5,100)</b>
	<b>19,686</b>	<b>7,720</b>

On January 9, 2010, the Chamber and the Anguilla Community College (ACC) signed a memorandum of understanding wherein both parties agreed to seek opportunities for collaboration of mutual benefit in education, training, capacity building, infrastructure strengthening and scholarship.

During the year, the Chamber did not approve any scholarship grant (2017: nil). The grant is usually based on the proceeds of various programs and events conducted by both parties, net of the related expenses.

ANGUILLA CHAMBER OF COMMERCE AND INDUSTRY LTD.  
Notes to the Financial Statements (continued)  
December 31, 2018

[Expressed in United States Dollars (US\$)]

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**14. Salaries and employee benefits**

	2018	2017
Salaries and allowances	46,662	58,540
Social security	1,875	2,070
	48,537	60,610

**15. Operating lease**

The Chamber is occupying the office space provided by the Government of Anguilla under a lease free agreement.

**16. Related party transactions**

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

In the ordinary course of business, the Chamber has transactions with its directors, affiliates and related interests. Transactions during the year with these parties are disclosed in Notes 12, 13 and 15.