

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS

FINANCIAL STATEMENTS

March 31, 2019

Contents

	<u>Page</u>
Directors' Report	1
Independent Accountants' Report to the Members	2 – 3
<u>FINANCIAL STATEMENTS</u>	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flow	7
Notes to the Financial Statements	8 – 19

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS

REPORT OF THE DIRECTORS

The directors submit their report with the financial statements for the year ended March 31, 2019.

RESULTS

The loss for the year amounted to Six Thousand Eight Hundred and Seventy Three Dollars (US\$6,873), compared to a loss of Eleven Thousand Four Hundred and Seventy Four Dollars (US\$11,474) in the previous year.

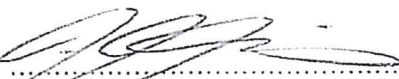
DIRECTORS

The Executive Committee retired by rotation and being eligible offered themselves for re-election

AUDITORS

The Auditors, DeWar Wiggan and Partner, have indicated their willingness to continue in office and will be re-appointed in accordance with Section 154 (2) of the Companies Act.

BY ORDER OF THE BOARD



.....
DIRECTOR



.....
SECRETARY

July 4, 2019

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2019

		<u>2019</u>	<u>2018</u>
	<u>Notes</u>		
<u>CONTINUING OPERATION</u>			
Revenue	10	<u>65,277</u>	<u>44,932</u>
Operating expenses			
Administrative expenses	11	71,441	58,447
Finance cost		<u>737</u>	<u>173</u>
Total operating expenses		<u>72,178</u>	<u>58,620</u>
Operating Income / (Loss)		<u>(6,901)</u>	<u>(13,688)</u>
<u>NON-OPERATING OR OTHER</u>			
Interest income		28	43
Other income		<u>-</u>	<u>2,171</u>
		<u>28</u>	<u>2,214</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>(6,873)</u>	<u>(11,474)</u>

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

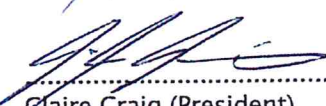
ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

		<u>2019</u>	<u>2018</u>
<u>ASSETS</u>	<u>Notes</u>		
NON-CURRENT ASSETS:			
Property, plant and equipment	6	<u>3</u>	<u>3</u>
Total non-current assets		<u>3</u>	<u>3</u>
CURRENT ASSETS:			
Accounts receivable	7	-	9,228
Cash & cash equivalents	8	<u>77,980</u>	<u>76,793</u>
Total current assets		<u>77,980</u>	<u>86,021</u>
Total assets		<u>77,983</u>	<u>86,024</u>
<u>EQUITY AND LIABILITIES:</u>			
CAPITAL AND RESERVES:			
Accumulated surplus		<u>75,739</u>	<u>82,612</u>
Total capital and reserves		<u>75,739</u>	<u>82,612</u>
CURRENT LIABILITIES:			
Trade payables	9	<u>2,244</u>	<u>3,412</u>
Total current liabilities		<u>2,244</u>	<u>3,412</u>
Total equity & liabilities		<u>77,983</u>	<u>86,024</u>

The financial statements have been approved for issue by the Ececutive Committee on
 and signed on its behalf by:



 Paul Payton (Treasurer)



 Claire Craig (President)

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

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

	Accumulated Surplus	Total
	\$	\$
Balance at March 31, 2017	94,086	94,086
Deficit for the year	<u>(11,474)</u>	<u>(11,474)</u>
Balance at March 31, 2018	<u>82,612</u>	<u>82,612</u>
Balance at March 31, 2018	82,612	82,612
Deficit for the year	<u>(6,873)</u>	<u>(6,873)</u>
Balance at March 31, 2019	<u>75,739</u>	<u>75,739</u>

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

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 STATEMENT OF CASHFLOWS
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Profit/(Loss) before taxation	(6,873)	(11,474)
Items not affecting cash resources -		
Depreciation	-	-
	<u>(6,873)</u>	<u>(11,474)</u>
Changes in operating assets and liabilities -		
Accounts receivable	9,228	(9,228)
Trade payables	<u>(1,168)</u>	<u>2,054</u>
Cash generated from operations	1,187	(18,648)
Interest paid	-	-
Cash provided/(used) by operating activities	<u>1,187</u>	<u>(18,648)</u>
 NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS:	 1,187	 (18,648)
Cash & cash equivalent at beginning of year	<u>76,793</u>	<u>95,441</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>77,980</u>	<u>76,793</u>

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

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

1. IDENTIFICATION AND PRINCIPAL ACTIVITY:

Association of Caribbean Higher Education Administrators (ACHEA or the Association) is a non-profit professional body that is established to strengthen management capability to build institutional capacity within universities, colleges and tertiary level institutions in the Caribbean region.

2. REPORTING CURRENCY:

Items included in the financial statements of the entities in the Group/Association are measured using the currency of the primary economic environment in which the entities operates ("the functional currency"). These financial statements are presented in United States dollars, which is considered Association Of Caribbean Higher Education Administrators's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented.

(a) Basis of preparation –

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for small and medium sized entities (SMEs) and have been prepared under the historical cost convention as modified by the revaluation of investments measured at fair value.

The preparation of financial statements in conformity with IFRSs for SMEs requires the use of certain critical accounting estimates. It also requires the executives to exercise its judgement in the process of applying the accounting policies of Association of Caribbean Higher Education Administrators. Although these estimates are based on the executives' best knowledge of current events and action, actual results could differ from those estimates involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are discussed in note 4.

New standards, interpretations and amendments effective in the current year

Certain new standards, amendments and clarifications to existing standards have been published that became effective during the current financial year. The Association of Caribbean Higher Education Administrators has assessed the relevance of all such new standards, amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

IFRS 9, Financial Instruments, (effective for annual reporting periods beginning on or after January 1, 2018). The standard replaces existing guidance in IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) – are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd) –

IFRS 15, "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018.) It replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC – 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.

The adoption of the above standards from April 01, 2018 did not have any impact on the financial statements.

(b) Property, plant and equipment –

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

Depreciation is calculated on the straight-line method at annual rates estimated to write off the costs of the assets over the period of their estimated useful lives. A full year's depreciation is charged in the year of acquisition and no depreciation charged in the year of disposal. Land is not depreciated.

The annual rates are as follows:

Machinery	12.5% (Straight line)
Equipment	12.5% (Straight line)
Computer	20.0% (Straight line)

(c) Foreign currency translation –

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to United States dollars using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(c) Foreign currency translation (cont'd) –

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in surplus or deficit. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are included in equity.

(d) Financial instruments –

A financial instrument is any contract that gives rise to both a financial asset for one entity and a financial liability or equity of another entity.

Financial assets –

Policy applicable from 1 April 2018

The Association classifies its financial assets based on the business model used for managing the financial assets and the asset's contractual terms measured at either:

- Amortised cost
- Fair value through profit or loss (FVPL)

The Association reclassifies debt investments only when its business model for managing those assets changes.

Measurement

(i) Debt Instruments

Measurement of debt instruments depends on the Association's business model for managing the asset and the cash flow characteristics of the asset. The Association classifies its debt instruments into two measurement categories.

Amortised cost –

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in surplus or deficit. Impairment losses are presented as a line item in the income statement.

The Association's financial assets measured at amortised cost comprise cash and cash equivalents and reverse repurchase agreements in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows – bank overdrafts.

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(Expressed in United States dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instruments – (cont'd)

Policy applicable from 1 April 2018 (cont'd)

Measurement (cont'd)

(i) Debt Instruments (cont'd)

Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is measured at FVPL is recognized in surplus or deficit in the period in which it arises.

(ii) Equity Instruments (cont'd)

Upon initial recognition, the Association elects to classify irrevocably its equity investment as equity instruments at FVPL when they are held for trading. Such classification is determined on an instrument-by-instrument basis. Equity instruments held for trading are measured at FVPL and changes in the fair value are recognized in surplus for the period.

Impairment

Impairment losses of financial assets are recognized using the expected credit loss (ECL) model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred considering past events and current conditions as well as reasonable and supportable forecasts collectability.

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Association has transferred substantially all the risks and rewards of the asset, or the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Policy applicable until 31 March 2018

(i) Classification

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

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instruments – (cont'd)

Policy applicable until 31 March 2018

Measurement (cont'd)

Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Association of Caribbean Higher Education Administrators's loans and receivables comprise cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial asset within 12 months of the reporting date. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale.

(ii) Recognition and Measurement

Regular purchases and sales of financial assets are recognized on the trade date – the date on which management commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value, with fair value gains or losses being recorded in other comprehensive income. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instruments (cont'd) –
 Financial assets (cont'd) –

(ii) Recognition and Measurement (cont'd)

Translation differences and changes in the fair value of non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously recognized as other comprehensive income are recycled to profit or loss. Dividends on available-for-sale equity instruments are recognized in profit or loss as part of other operating income when Association of Caribbean Higher Education Administrators' right to receive payments is established.

Association of Caribbean Higher Education Administrators assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from other comprehensive income and recognized the surplus.

(e) Impairment of assets –

At each reporting date, non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

(f) Leases –

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership of the leased asset to the ACHEA. All other leases are classified as operating leases.

(i) Finance leases

Rights to assets held under finance leases are recognized as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability of the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

(ii) Operating leases

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease.

(g) Trade and other payables –

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into the functional currency (United States dollars) using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

(h) Bank loans and overdrafts –

All borrowing costs are recognised in statement of comprehensive income in the period in which they are incurred.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

(i) Revenue recognition –

Members' contributions are recognized when invoiced. Interest and other income are recognized when earned in accordance with the relevant agreement in place.

(j) Taxation –

The Commissioner General, Tax Administration Jamaica has granted the Association exemption under section 12(h) of the Income Tax Act.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

Judgements and estimates 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.

(a) Critical judgements in applying Association of Caribbean Higher Education Administrators's accounting policies –

In the process of applying the ACHEA's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

(b) Key sources of estimation uncertainty –

The management of the ACHEA makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The ACHEA applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

Accounts receivables

The Association's exposure to credit loss is influenced mainly by individual characteristics of each customer. The executives have established a credit policy under which each customer is analyzed individually for credit worthiness prior to the Association offering them credit facility. In respect of membership, credit risk is monitored according to their credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile and previous financial difficulties. In order to monitor potential credit losses, the Association's executives perform going analysis of the ability of customers and other counterparties to meet repayment obligations. An allowance for doubtful accounts is maintained for potential credit losses based on management's assessment of the expected collectibility of all accounts receivable, and this is reviewed periodically. The Association's average credit period for the payment of membership dues is thirty (30) days.

Fair value estimation

A number of assets included in the Association's financial statements require measurement at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement of the Association's financial and non-financial assets and liabilities utilizes market observable inputs and date as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are ('the fair value hierarchy').

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or Liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, derived from prices).

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY: (Cont'd)

(b) Key sources of estimation uncertainty – (cont'd)

Fair value estimation (cont'd)

The classification of an item into the above levels are based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Transfers of items between levels are recognized in the period they occur.

The Association measures financial instruments at fair value –

The fair value of financial instruments traded in active markets, such as available-for-sale investments, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Association is the current bid price. These instruments are included in level 1 and comprise equity instruments traded on the Jamaica Stock Exchange.

5. FINANCIAL RISK MANAGEMENT:

The ACHEA has exposure to the following risks from its use of financial instruments and its operations: credit risk, liquidity risk, and market risk.

There is a substantive change in the structure of financial instruments used from concentration in cash and cash equivalents to loans receivable.

(a) Financial instruments –

(i) Principal financial instruments –

The principal financial instruments used by the ACHEA, from which financial instrument risk arises, are as follows:

- o Cash and cash equivalents
- o Loans and receivables
- o Payables

(ii) Financial instruments by category –

Financial assets –

	Amortised cost	Loans and receivables
	2019	2018
Cash and cash equivalents	77,980	76,793
	<u>77,980</u>	<u>76,793</u>

Financial liability –

Financial liability –	Financial liability at amortised cost	
	2019	2018
Payables	2,244	3,411
	<u>2,244</u>	<u>3,411</u>

(iii) Financial instruments not measured at fair value –

Financial instruments not measured at fair value includes cash and cash equivalents. Due to their short-term nature, the carrying value of cash and cash equivalents approximates their fair value.

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2019
 (Expressed in United States dollars unless otherwise indicated)

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial risk factors

The overall objective of management is to set policies that seek to reduce risk as far as possible without unduly affecting ACHEA's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Credit risk –

Credit risk is the risk of financial loss to the ACHEA if a counterparty to a financial instrument fails to meet its contractual obligations. The ACHEA is mainly exposed to credit risk from the Association's receivables, cash and short-term deposits.

(ii) Market risk –

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

Currency risk –

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2019, the Association had no exposure to foreign exchange risk arising from holding foreign currency.

Interest rate risk

Interest rate risk is the risk that the value of a financial instruments will fluctuate due to the changes in market interest rates.

Floating rate instruments expose the ACHEA to cash flow interest risk, whereas fixed interest rate instruments expose the ACHEA to fair value interest risk.

Interest rate risk (cont'd)

Cash and cash equivalents contains short term deposits as the only interest bearing asset of the ACHEA. These deposits were fully used by the reporting date and bank loans are at fixed rates.

(iii) Liquidity risk –

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The ACHEA manages this risk by keeping committed credit lines available.

The ACHEA's approach to managing liquidity is to ensure as far as possible 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 damages to the ACHEA's reputation.

The ACHEA's liquidity management process, as carried out within the ACHEA, includes:

- o Monitoring future cash flows and liquidity on a daily basis.
- o Maintaining committed lines of credit

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(Expressed in United States dollars unless otherwise indicated)

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial risk factors (cont'd)

(iv) Capital risk –

Capital risk is the risk that the ACHEA fails to comply with mandated regulatory requirements resulting in breach of those requirements. The ACHEA's objectives when managing capital are to comply with capital requirements, safeguard the ACHEA's ability to continue as a going concern and to maintain strong capital base to support the development of its business.

6. PROPERTY, PLANT AND EQUIPMENT:

	MACHINERY	EQUIPMENT	COMPUTER	TOTAL
AT COST:				
30-Mar-17	165	1,137	1,276	2,578
Addition	-	-	-	-
31-Mar-18	165	1,137	1,276	2,578
Addition	-	-	-	-
31-Mar-19	165	1,137	1,276	2,578
DEPRECIATION:				
30-Mar-17	164	1,136	1,275	2,575
Charge for year	-	-	-	-
31-Mar-18	164	1,136	1,275	2,575
Charge for year	-	-	-	-
31-Mar-19	164	1,136	1,275	2,575
NET BOOK VALUES:				
31-Mar-19	1	1	1	3
31-Mar-18	1	1	1	3

	2019	2018
7. ACCOUNTS RECEIVABLE:		
Prepaid expenses	-	9,228
	-	9,228

8. CASH AND CASH EQUIVALENTS:

Current Account – Barbados	18,232	20,692
Current Account – Trinidad	26,962	2,062
Current Account – Jamaica	3,443	321
Savings Account – Jamaica	1,312	1,316
USD Savings Account – Jamaica	28,031	52,402
	<u>77,980</u>	<u>76,793</u>

ASSOCIATION OF CARIBBEAN HIGHER EDUCATION ADMINISTRATORS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(Expressed in United States dollars unless otherwise indicated)

	<u>2019</u>	<u>2018</u>
9. TRADE PAYABLES:		
Trade payables -- local	<u>2,244</u>	<u>3,411</u>
	<u>2,244</u>	<u>3,411</u>
10. REVENUE (INCOME):		
Income comprises the following:		
Conference Service Fees	62,626	33,380
Membership Dues-Individuals	2,650	6,621
Contributions	<u>-</u>	<u>4,932</u>
Operating revenue	<u>65,276</u>	<u>44,933</u>
Interest Income	28	43
Other Income	<u>-</u>	<u>2,171</u>
Non-operating	<u>28</u>	<u>2,214</u>
Net revenues	<u>65,304</u>	<u>47,147</u>
11. SCHEDULE OF ADMINISTRATIVE EXPENSES:		
Audit fees	900	900
Conference expenses	61,228	40,608
Workshop expenses	1,009	1,966
Depreciation	-	-
Foreign travel	6,816	10,074
Local travel	1,475	1,194
Office expenses	122	144
Utilities	120	217
Exchange gain/(loss)	<u>(230)</u>	<u>3,344</u>
	<u>71,440</u>	<u>58,447</u>
12. FINANCE COSTS:		
Bank charges and interest	<u>737</u>	<u>173</u>