



*Smart decisions.
Lasting value.*

***The Pension Industry
Association of Jamaica
Limited
Financial Statements
for the year ended
31st December 2022***

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

INDEX

	<u>PAGE</u>
REPORT OF THE INDEPENDENT AUDITORS TO THE DIRCETORS	1 - 1c
Statement of Financial Position	2
Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 14

.....o0o.....

REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
PENSION INDUSTRY ASSOCIATION OF JAMAICA

Opinion

We have audited the financial statements of Pension Industry Association of Jamaica ("the entity") which comprise the statement of financial position as at December 31, 2022, the statement of comprehensive income, statements of changes in equity, 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 give a true and fair view of the financial position of Pension Industry Association of Jamaica as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

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 entity, in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that matter to those charged with governance.

REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
PENSION INDUSTRY ASSOCIATION OF JAMAICA

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

Management is responsible for maintenance of adequate accounting records in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

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.

REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
PENSION INDUSTRY ASSOCIATION OF JAMAICA

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement 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 entity'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 entity'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 entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of the entity of which we are the independent auditors.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
PENSION INDUSTRY ASSOCIATION OF JAMAICA

Auditor's Responsibilities for the Audit of the Statements (Cont'd)

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Additional Matters as Required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Mrs. Dawn Davis.



Crowe Horwath Jamaica

47-49 Trinidad Terrace
Kingston 5
Jamaica

November 08, 2023

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2022 \$	2021 \$
ASSETS			
Current Assets			
Accounts Receivable	5	425,000	656,529
Cash and Cash Equivalents	6	64,530	327,735
TOTAL ASSETS		489,530	984,264
EQUITY & LIABILITIES			
Accumulated Fund	7	(97,970)	103,648
Current Liabilities			
Accounts Payable	8	587,500	880,616
TOTAL EQUITY & LIABILITIES		489,530	984,264

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

APPROVED FOR ISSUE BY THE BOARD ON NOVEMBER 8, 2023, AND SIGNED ON ITS BEHALF BY:


 Janice Robinson-Longmore
 Director


 Fay McIntosh
 Director

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2022	2021
		\$	\$
INCOME			
Membership Fees		4,140,000	1,906,000
Sponsorship Income		373,750	600,000
Webinar		130,000	-
Other Income		45,864	-
		<u>4,689,614</u>	<u>2,506,000</u>
EXPENSES			
Legal & Professional Fees		123,050	28,800
Auditors' Remuneration		287,500	517,500
Advertising & Promotion		3,414,790	1,090,000
Meeting Expenses		25,000	25,000
Website Expenses		204,750	189,765
Webinar Expense		107,500	-
Secretarial Services		720,000	540,000
Auditor's Confirmation		-	4,600
Miscellaneous Expense		14,900	14,900
Bank Charges		9,466	7,048
Write-offs		-	8,000
		<u>4,906,956</u>	<u>2,425,613</u>
(Loss)/Profit for the year		<u>(217,342)</u>	<u>80,387</u>

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

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise indicated)

	Accumulated Fund \$
Balance at 31st December 2020	23,261
Profit for the year	<u>80,387</u>
Balance at 31st December 2021	103,648
Adjustment to equity	15,724
Loss for the year	<u>(217,342)</u>
Balance at 31st December 2022	<u>(97,970)</u>

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

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

	2022	2021
	\$	\$
Cash Flows from Operating Activities		
(Loss)/ Profit for the year	(217,342)	80,387
Adjustments to reconcile (loss)/profit for the year to net cash provided by		
Adjustment to equity	15,724	-
Operating activities:	(201,618)	80,387
Decrease/(Increase) in current assets:		
Accounts Receivable	231,529	(56,000)
(Decrease)/Increase in current liabilities:		
Accounts Payable	<u>(293,116)</u>	<u>63,997</u>
Net Cash (used in)/Provided by operating activities	<u>(263,205)</u>	<u>88,384</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(263,205)	88,384
Cash and Cash Equivalents at the beginning of the year	<u>327,735</u>	<u>239,351</u>
Cash and Cash Equivalents at the end of the year	<u>64,530</u>	<u>327,735</u>

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

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise indicated.)

1. Identification:

The Pension Fund Association of Jamaica Limited was incorporated on 12th October 2004 as a company limited by guarantee. On the 16th of April 2019, the company's name was changed to The Pension Industry Association of Jamaica Limited. Its primary objective is to advance general public knowledge and understanding of matters affecting or relating to existing or future superannuation, provident, retirement, pension or similar funds, schemes or plans for employees, the self employed or other persons in Jamaica.

The company is incorporated in Jamaica and these financial statements are presented in Jamaican dollars which is the functional currency of the Association.

2. Adoption of Standards, Interpretations and Amendments:

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

(a) Standards and interpretations in respect of published standards which are in effect:

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) (Effect January 2022)

The changes in *Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)* specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018 - 2020 cycle contain amendments to IFRS 1 First time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, IAS 41 Agriculture, and are effective for annual periods beginning on or after January 1, 2022.

- (i) IFRS 9 Financial Instruments amendments clarifies that - for the purpose of performing the '10 percent test' for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the lender's behalf.
- (ii) IFRS 16 Leases amendment removes the illustration of payments from the lessor relating to leasehold improvements.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise indicated.)

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

(b) Standards and interpretations in respect of published standards which are not in effect:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Plan has not early-adopted. The Plan has assessed the relevance of all the new standards, amendments and interpretations with respect to its operations and has determined that the following are likely to have an effect on its financial statements:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (Effective January 1, 2023)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Definition of Accounting Estimates (Amendments to IAS 8) (Effective January 1, 2023)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Non-current Liabilities with Covenants (Amendments to IAS1) (Effective January 1, 2024)

The amendment clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024.

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

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated.)

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

(a) Statement of Compliance and Basis of Preparation:

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the requirements of the Jamaican Companies Act.

(b) Provisions:

A provision is recognised in the Statement of Financial Position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

(c) Membership Fees:

Membership fees in the Association are recorded on an accrual basis.

(d) Membership Fees Receivable:

Membership fees not paid before the end of the financial year in which it is due are carried as receivable for a period of eleven months. A membership fee remaining unpaid more than eleven months after the year in which it was due is written off. Subsequent recoveries of receivables after they have been written off are taken to account as part of membership fee income in the year in which it is paid.

(e) Taxation:

The Association is exempt from income tax under the mutuality principle in respect of income derived from transactions with members. However, income from investments is subject to income tax.

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated.)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(f) Cash and Cash Equivalents:

Cash and cash equivalents consist of cash at bank and a repurchase investment secured by Government of Jamaica Bond.

(g) Use of Estimates and Judgements:

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) require a company's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on historical experience, and management's best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

(h) Comparative Information:

Where necessary, comparative figures have been restated and/or reclassified to conform with changes in presentation in the current year.

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

4. Operational Structure of the Association:

The Association does not own any furniture or other fixed assets. A member has provided it with office facilities and the clerical assistance of one of its staff members. Consequently, these financial statements have not included any provision for costs associated with space utilization or salaries.

5. Accounts Receivable:

	2022	2021
	\$	\$
(i) Membership Fees Receivable	425,000	650,000
(ii) Interest Receivable	-	6,529
	<u>425,000</u>	<u>656,529</u>

Membership fees receivable represents the outstanding fees for three (3) members (2021: thirty-three (33) members) at \$75,000 per member (2021: \$20,000). The membership fees receivable include fees outstanding from prior periods.

6. Cash and Cash Equivalents:

	2022	2021
	\$	\$
Repurchase Investment	-	45,863
Current Account	<u>64,530</u>	<u>281,872</u>
	<u>64,530</u>	<u>327,735</u>

7. Capital:

The company was incorporated as a company limited by guarantee and not having a share capital. Each member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he/she is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association contracted before he ceases to be a member; and of the costs, charges, and expenses of winding up of the same and for the adjustment of the rights of the contributories amongst themselves. Such amount as may be required from each member shall not exceed one dollar (\$1.00).

8. Accounts Payable:

	2022	2021
	\$	\$
Audit Fees	250,000	250,000
Other Payables	<u>337,500</u>	<u>630,616</u>
	<u>587,500</u>	<u>880,616</u>

9. GCT Expensed:

The company was de-registered as a Taxpayer for General Consumption Tax (GCT) purposes in April 2009 and consequently is no longer registered to charge and collect GCT output tax nor to offset GCT input taxes. GCT input tax suffered on inputs is therefore expensed.

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
 (Expressed in Jamaican Dollars unless otherwise indicated)

10. Financial Instruments - Risk Management:

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable and taxation recoverable. Financial liabilities have been determined to include accounts payable.

The company's activities expose it to some financial risks, including credit risk, liquidity risk and market risks.

The Board of Directors is ultimately responsible for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Board is responsible for monitoring compliance with the company's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risk faced by the company. Risk management policies and procedures are regularly reviewed by the Board and recommendations made to reflect changes in market conditions, programmes and services offered.

(a) Credit Risk

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

The company faces credit risks with respect to its accounts receivable and cash and cash equivalents.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum exposure to credit risk. At the date of the statement of financial position, these amounts were:

	2022	2021
	\$	\$
Accounts Receivable	425,000	656,529
Cash and Cash Equivalents	<u>64,530</u>	<u>327,735</u>
	<u>489,530</u>	<u>984,264</u>

(i) Accounts Receivables

The company faces credit risk in respect of its receivables from members and interest receivable. Where membership fees are outstanding for more than eleven months after the year in which they were due, they are written off. Subsequent recoveries are taken into account as part of membership fee income in the year in which amounts are received.

(ii) Cash and Cash Equivalents

The Association's bank account is held in a licensed financial institution with a history of stability where deposits of up to \$600,000 are insured. The repo investment is secured by Government of Jamaica Bond. Credit risk is therefore considered to be minimal.

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

10. Financial Instruments - Risk Management (Cont'd):

(b) Liquidity Risk (Cont'd)

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The company current liabilities exceed current assets by \$97,970 as at December 31, 2022 and current assets exceed liabilities by \$103,648 as at December 31, 2021.

There has been significant change to the company's exposure to liquidity risk or the manner in which it manages or measures the risk.

The following are the contractual maturities of financial assets and liabilities as at:

31st December 2022

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Receivables	425,000	425,000	-	-
Cash and Cash Equivalents	64,530	-	-	64,530
	<u>489,530</u>	<u>425,000</u>	<u>-</u>	<u>64,530</u>
Accounts Payable	587,500	587,500	-	-
Net Current Assets	<u>(97,970)</u>	<u>(162,500)</u>	<u>-</u>	<u>64,530</u>

31st December 2021

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Receivables	656,529	656,529	-	-
Cash and Cash Equivalents	327,735	45,863	-	281,872
	<u>984,264</u>	<u>702,392</u>	<u>-</u>	<u>281,872</u>
Accounts Payable	880,616	880,616	-	-
Net Current Assets	<u>103,648</u>	<u>(178,224)</u>	<u>-</u>	<u>281,872</u>

The following are the contractual maturities of financial assets and liabilities as at:

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022

(Expressed in Jamaican Dollars unless otherwise indicated)

10. Financial Instruments- Risk Management (Cont'd):

(c) Market Risk

The company is exposed 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. Market risk is monitored by the company's board which carries out research and monitors the price movement of financial assets on the local and international markets.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company has no financial instruments denominated in foreign currency and is not therefore directly exposed to foreign currency risk at this time.

(ii) Interest Rate Risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in the market interest rates.

The company is exposed to interest rate risk in respect of its cash on deposit; its saving and current accounts. The company manages this risk by maintaining net earning assets and procuring the most advantageous interest rates.

Financial Assets:

The company is exposed to interest rate risk in respect of its cash on deposit. The company manages this risk by maintaining net earning assets and procuring the most advantageous interest rates.

Financial Liability:

The company has no interest bearing financial liabilities and therefore has no exposure to interest rate risk in this regard.

At the reporting date, the interest rate profile of the company's interest-bearing financial instrument was:

	Interest Rate	2022	Interest Rate	2021
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
<u>Financial Assets:</u>				
Proven Wealth Limited	-	-	3.75%	45,863
		-		45,863

THE PENSION INDUSTRY ASSOCIATION OF JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022

(Expressed in Jamaican Dollars unless otherwise indicated)

10. Financial Instruments - Risk Management (Cont'd):

(c) Market Risk (Cont'd)

(ii) Interest Rate Risk (cont'd)

Interest Rate Sensitivity

Over the period December 2021 to December 2022, BOJ 3-6 month commercial bank deposit interest rates have fluctuated between 3.38% to 5.54%. This rate of movement is expected to continue in the foreseeable future as the Government continues to require that interest rates are contained at low single digit levels. Increases are expected to be marginal and sustainable only over the short term.

(d) Fair Value

Fair value amounts represent estimates of the arms length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

The carrying value of each class of financial instrument in these financial statements reflect their fair value.

(e) Capital Management

The company regards its accumulated surplus as its capital. The Directors' financial objective is to generate a targeted operating surplus in order to provide for future continuity of the association. The Directors monitor the activities to provide oversight on a continuing basis.

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

The company's capital comprises:

	2022	2021
	\$	\$
Accumulated Fund	<u>(97,970)</u>	<u>103,648</u>