

***THE JAMAICAN BAR ASSOCIATION***  
***AUDITED FINANCIAL STATEMENTS***  
***YEAR ENDED SEPTEMBER 30, 2008***

***DALEPARKS & ASSOCIATES***  
***CERTIFIED PUBLIC & CHARTERED ACCOUNTANTS***

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**THE JAMAICAN BAR ASSOCIATION  
AUDITED FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2008**

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January 20, 2009

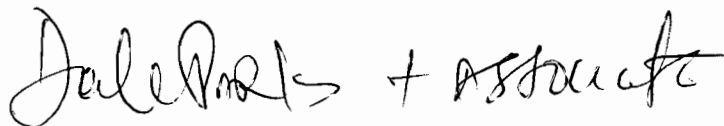
Auditors' report

**To the Members of  
The Jamaican Bar Association**

We have audited the financial statements set out on pages 1 - 8. These financial statements are the responsibility of the directors and management of the company. The directors and management are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, follow applicable accounting standards and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business. The directors and management are responsible for keeping proper accounting records, for safeguarding the assets of the company, and for the prevention and detection of fraud and other irregularities. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing generally accepted in Jamaica. Those standards require that we plan and perform the audit to obtain all the information and explanations which we considered necessary to provide us with reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statement. It also includes assessing the accounting principles used and significant estimates made by members and management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give a true and fair view of the state of the company's financial affairs as at September 30, 2008 and the results of operations and cash flows for the year then ended and have been prepared in accordance with Jamaican generally accepted accounting principles and comply with the provisions of the Jamaican Companies Act.



**Certified Public & Chartered Accountants**

**THE JAMAICAN BAR ASSOCIATION  
PROFIT AND LOSS ACCOUNT  
FOR YEAR ENDED SEPTEMBER 30, 2008**


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	Notes	<u>2008</u> \$	<u>2007</u> \$
<b>INCOME</b>			
Subscriptions		2,444,414	1,515,687
Law Reports		156,500	184,000
Seminar Income		515,415	372,119
Other Income		<u>2,701,312</u>	<u>2,456,311</u>
		<u>5,817,641</u>	<u>4,528,117</u>
<b>EXPENDITURE</b>			
Salaries, Wages and Statutory Contributions		1,711,633	1,578,011
Seminars and Meetings		283,010	410,003
Rent		1,019,220	723,095
Other Operating Expenses		<u>3,323,003</u>	<u>2,776,661</u>
		<u>6,336,866</u>	<u>5,487,770</u>
<b>OPERATING DEFICIT</b>	<b>9</b>	(519,225)	(959,653)
Taxation	<b>8</b>	(553,179)	-
Accumulated Surplus at beginning of Year		<u>4,502,922</u>	<u>5,462,575</u>
<b>ACCUMULATED SURPLUS</b>		<u>3,430,518</u>	<u>4,502,922</u>

**The attached notes form an integral part of these Financial Statements.**

**THE JAMAICAN BAR ASSOCIATION  
BALANCE SHEET  
AS AT SEPTEMBER 30, 2008**

	NOTES	<u>2008</u>	<u>2007</u>
		\$	\$
<b>NET ASSETS EMPLOYED</b>			
<b>FIXED ASSETS</b>	4	120,705	98,822
<b>INVESTMENT</b>	5	602	602
<b>LONG TERM RECEIVABLE</b>	6	10,405,391	8,129,212
<b>CURRENT ASSETS</b>			
Receivables		159,455	69,451
Taxation Recoverable		94,214	59,059
Inventories – Law Reports		2,054,490	1,938,444
Cash and bank		2,007,726	3,367,035
		<u>4,315,884</u>	<u>5,33,989</u>
<b>CURRENT LIABILITIES</b>			
Payables		684,918	708,735
		<u>684,918</u>	<u>708,735</u>
<b>NET CURRENT ASSETS</b>		<u>3,630,967</u>	<u>4,725,254</u>
<b>TOTAL NET ASSETS</b>		<u><u>14,157,665</u></u>	<u><u>12,953,890</u></u>
<b>FINANCED BY</b>			
<b>Capital Surplus</b>			
Incorporated Law Society of Jamaica		2,843	2,843
Bar Association of Jamaica		600	600
Benevolent Fund		18,457	18,457
Home for the Bar		281,800	281,800
Capital Contributions		150,860	150,860
		<u>454,560</u>	<u>454,560</u>
<b>ACCUMULATED SURPLUS</b>		<u>3,430,518</u>	<u>4,502,922</u>
		3,885,078	4,957,482
<b>Long Term Liabilities</b>	7	<u>10,272,587</u>	<u>7,996,408</u>
<b>TOTAL EQUITY</b>		<u><u>14,157,665</u></u>	<u><u>12,953,890</u></u>

 )President

 )Honorary Secretary

 )Treasurer

**THE JAMAICAN BAR ASSOCIATION  
STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED SEPTEMBER 30, 2008**

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	<b><u>CAPITAL SURPLUS</u></b> \$	<b><u>ACCUMULATED SURPLUS</u></b> \$	<b><u>TOTAL</u></b> \$
Balance at October 1, 2006	454,560	5,462,575	5,917,135
Operating Deficit for year 2007	_____ -	_____ (959,653)	_____ (959,653)
Balance at September 30, 2007	454,560	4,502,922	4,957,482
Operating Deficit for year 2008	_____ -	_____ (1,072,404)	_____ (1,072,404)
Balance at September 30, 2008	<u>454,560</u>	<u>3,430,518</u>	<u>3,885,078</u>

**THE JAMAICAN BAR ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED SEPTEMBER 30, 2008**

	<u>2008</u>	<u>2007</u>
	<u>\$</u>	<u>\$</u>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Operating Activities</b>		
Net (Deficit)/Surplus Per Financial Statements	(1,072,404)	(959,653)
Item not affecting Cash Resources:		
Depreciation	<u>23,117</u>	<u>22,243</u>
	(1,049,287)	(937,410)
Changes in Non-Cash Working Capital Components		
Inventories	(116,046)	(276,392)
Receivables	(90,004)	(24,671)
Taxation Recoverable	(35,155)	35,259
Payables	<u>(23,817)</u>	<u>296,311</u>
	<u>(265,022)</u>	<u>30,507</u>
Net Cash (Used) In Operating Activities	<u>(1,314,309)</u>	<u>(906,903)</u>
<b>Investing Activities:</b>		
Purchase of Fixed Asset	(45,000)	-
Long Term Receivables	<u>(2,276,179)</u>	<u>(1,728,258)</u>
Net Cash (used) in Investing Activities	<u>(2,321,179)</u>	<u>(1,728,258)</u>
<b>Financing Activities:</b>		
Long Term Liabilities	<u>2,276,179</u>	<u>1,728,258</u>
Net Cash provided by Financing Activities	<u>2,276,179</u>	<u>1,728,258</u>
<b>Net (Decrease) in cash and cash equivalents</b>	(1,359,309)	(906,903)
<b>Cash Balances at Beginning of Year</b>	<u>3,367,035</u>	<u>4,273,938</u>
<b>Cash Balance at End of Year</b>	<u><u>2,007,726</u></u>	<u><u>3,367,035</u></u>
<b>Represented By:</b>		
Bank	<u><u>2,007,726</u></u>	<u><u>3,367,035</u></u>

**THE JAMAICAN BAR ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2008**

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**1. COMPANY IDENTIFICATION**

The Association was incorporated under the Companies Act of Jamaica in 1973, and has received permission from the Minister of Industry and Commerce to omit ‘Limited’ from its name. The principal activities include:

- a) The promotion of information on legal subjects.
- b) The consideration of all questions affecting the interest of the legal profession and the initiation of measures to address these questions.
- c) The promotion of honourable practice in the legal profession.
- d) The execution of law reforms, and the maintenance of public awareness of the need to constantly review the law.

All amounts in these financial statements are stated in Jamaican dollars.

**2. ACCOUNTING BASIS**

The financial statements have been prepared on the going concern basis, although the appropriateness of this basis is dependent on the ability of the Company to obtain continued financing and ultimately, on future profitable operations.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**a) Accounting Conventions:-**

These Financial Statements have been prepared in accordance with Jamaican generally accepted accounting standards and have been prepared under the historical cost convention.

**b) Subscriptions:-**

Subscriptions are brought to account as and when due, net of refunds.

**c) Depreciation:-**

Fixed Assets are stated at cost or valuation. Cost or valuation of fixed assets is written off evenly over the estimated useful lives of the assets at the following annual rates: -

Furniture Fixtures and Equipment	10%
Computer Equipment	20%

**THE JAMAICAN BAR ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2008**

**d) Investment:-**

Investment is stated at cost.

**e) Law Reports:-**

Expenses incurred in respect of law reports are capitalized as inventory and matched against income in the year of sale.

**4. FIXED ASSETS**

	<b>Furniture, Fixtures &amp; Fittings \$</b>	<b>Computer Equipment \$</b>	<b>Total \$</b>
<b>Cost:</b>			
October 1, 2007	1,139,683	511,874	1,651,557
Additions	<u>-</u>	<u>45,000</u>	<u>45,000</u>
September 30, 2008	<u>1,139,683</u>	<u>556,874</u>	<u>1,696,557</u>
<b>Accumulated Depreciation:</b>			
October 1, 2007	1,040,862	511,873	1,552,735
Charge for the year	<u>14,117</u>	<u>9,000</u>	<u>23,117</u>
September 30, 2008	<u>1,054,979</u>	<u>511,873</u>	<u>1,575,852</u>
<b>Net book value 30.9.08</b>	<u>84,704</u>	<u>36,001</u>	<u>120,705</u>
<b>Net book value 30.9.07</b>	<u>98,821</u>	<u>1</u>	<u>98,822</u>

**5. INVESTMENT**

This represents investment in Jambar Holdings Limited, and is comprised of:

	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b>\$</b>	<b>\$</b>
Shares held by the Association	2	2
Shares held in Trust for Members	<u>600</u>	<u>600</u>
	<u>602</u>	<u>602</u>

**THE JAMAICAN BAR ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2008**

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**6. LONG TERM RECEIVABLE**

	<u>2008</u>	<u>2007</u>
	<u>\$</u>	<u>\$</u>
Loan to Jambar Holdings Limited b/f	8,129,212	6,400,954
Interest earned	<u>2,276,179</u>	<u>1,728,258</u>
	<u>10,405,391</u>	<u>8,129,212</u>

An unsecured loan of \$999 per share was made to Jambar Holdings Limited for every share acquired by the Association on behalf on its members (note5). The first loan was made in 1991, with a moratorium being given on interest through to 31 December 1991. Effective 1 January 1992 interest charged on the loan was 12%, with an increase of one percentage point annually thereafter. Interest earned since 1992 has been capitalised. The loan is recoverable in six instalments commencing 31 December 2004.

**7. LONG TERM LIABILITIES**

	<u>2008</u>	<u>2007</u>
	<u>\$</u>	<u>\$</u>
Loan by Members of the Association b/f	7,996,408	6,268,150
Interest accrued	<u>2,276,179</u>	<u>1,728,258</u>
	<u>10,282,587</u>	<u>7,996,408</u>

These represent monies received from members of the Association for shares and loan investment in Jambar Holdings Limited, along with interest capitalised on the loan (Notes 5 and 6).

**THE JAMAICAN BAR ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2008**

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**8. TAXATION**

- a) Taxation charge for the year is based on profit for the year adjusted for income tax purposes and comprises:

	<u>2008</u>	<u>2007</u>
	\$	\$
Taxation charged at 33 1/3%:		
- Current year	-	-
- Under provision – Y/A 2005	<u>553,178</u>	<u>-</u>
	<u>553,178</u>	<u>-</u>

Based on the results for the year, there is no taxation charge. Subject to agreement with the commissioner of the Taxpayer Audit and Assessment Department, Tax losses of \$2,663,333 (2007 - \$2,103,912) are available for offset against future profits.

**9. OPERATING DEFICIT**

The following have been charged / (Credited) in arriving at a deficit:-

	<u>2008</u>	<u>2007</u>
	\$	\$
Audit fees – current	195,000	160,000
Depreciation	23,117	22,243
Repair & Maintenance	30,000	44,866
Interest Income	<u>(141,945)</u>	<u>(199,307)</u>

**DALEPARKS & ASSOCIATES**  
**Certified Public & Chartered Accountants**

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January 20, 2009

To the Council Members of  
The Jamaican Bar Association

**Auditors' Report**

The supplementary information set out on page 9 has been taken from the accounting records of the company and have been subjected to the tests and other auditing procedures applied in our examination of the company's financial statements for the year ended September 30, 2008.

In our opinion, this information, although not necessary for a fair presentation of the company's state of affairs, results of operations or cash flows, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Dale Parks & Associates*

Certified Public & Chartered Accountants

**THE JAMAICA BAR ASSOCIATION  
DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR YEAR ENDED SEPTEMBER 30, 2008**

	<u>2008</u>	<u>2007</u>
	\$	\$
<b>INCOME</b>		
Rental Income	62,881	65,100
Subscriptions	2,444,414	1,515,687
Social Affairs	2,029,318	1,972,852
Sale of Bands and Bibs	35,206	45,483
Jambar Publications	215,400	-
Miscellaneous	66,562	23,570
Interest on Deposits	141,945	199,307
Seminar Income	515,415	372,119
Law Reports	156,500	184,000
Management Fee	150,000	150,000
	<u>5,817,641</u>	<u>4,528,117</u>
<b>EXPENDITURE</b>		
Bands and Bibs	19,800	20,890
Salaries, Wages and Statutory Contributions	1,711,633	1,578,011
Uniforms	27,752	20,061
Postage and Sundries	67,060	86,600
Staff Welfare	35,790	9,890
Bank Charges	74,939	59,225
Printing/ Stationery	146,249	196,697
Jambar Publication	221,000	-
Rent	1,019,220	723,095
Social Affairs	1,175,759	1,247,927
Audit Fee	195,000	160,000
Electricity	311,423	504,602
Bad Debt	194,158	9,420
Repairs and Maintenance	30,000	13,580
Accountancy Fee	194,000	157,500
Telephone	142,814	128,838
Membership fees	4,300	21,524
Depreciation	23,117	22,243
Filing Fees- Registrar of Companies	-	17,500
Office Expenses	151,543	167,853
Security	45,289	52,996
Seminars and Meetings	283,010	410,003
Advertisement	9,450	55,515
Law Report Expense	-	(276,392)
Legal & Professional fees	175,000	27,500
Robing Room	54,710	36,724
Subscription Expense	18,608	29,000
Miscellaneous Expenses	5,242	6,878
	<u>6,336,866</u>	<u>5,487,770</u>
<b>OPERATING (DEFICIT) for the year</b>	<u>(519,225)</u>	<u>(959,653)</u>

**THE JAMAICA BAR ASSOCIATION  
INCOME TAX COMPUTATION  
YEAR OF ASSESSMENT 2008**

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	\$	\$
Loss per financial statements		(519,225)
Add: Depreciation		<u>23,117</u>
Adjusted loss		(496,108)
Less: Capital Allowances:		
Initial	9,000	
Annual	<u>54,313</u>	
		<u>63,313</u>
		(559,421)
Losses b/f		<u>(2,103,912)</u>
Losses c/f		<u>(2,663,333)</u>

**THE JAMAICAN BAR ASSOCIATION  
CAPITAL ALLOWANCE COMPUTATION  
YEAR OF ASSESSMENT 2008**

DETAILED DESCRIPTION	Cost	WDV B/f	Additions	TOTAL	Rate	IA		AA	WDV C/f
	\$	\$	\$	\$	%	\$	%	\$	\$
<b>Furniture &amp; Fixtures</b>	1,139,683	441,879		441,879	20	-	10	44,188	397,691
<b>Computers:</b>									
1	444,115	-	-	-	20	-	22.5	-	-
2	12,325	-	-	-	20	-	22.5	-	-
3	7,400	-	-	-	20	-	22.5	-	-
4	7,400	-	-	-	20	-	22.5	-	-
5	40,634	-	-	-	20	-	22.5	-	-
6			45,000	45,000	20	9,000	22.50	10,125	25,875
	<u>1,651,557</u>	<u>441,879</u>	<u>45,000</u>	<u>486,879</u>		<u>9,000</u>		<u>54,313</u>	<u>423,566</u>