

THE JAMAICAN BAR ASSOCIATION
AUDITED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2009

DALEPARKS & ASSOCIATES
CERTIFIED PUBLIC & CHARTERED ACCOUNTANTS

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FOR YEAR ENDED SEPTEMBER 30, 2009**

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February 12, 2010

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 directors 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, 2009 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.

Dale Parks & Associates

Certified Public & Chartered Accountants

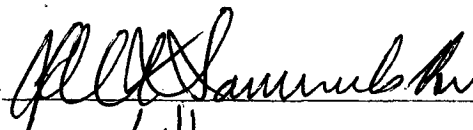


**THE JAMAICAN BAR ASSOCIATION
PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED SEPTEMBER 30, 2009**

	Notes	<u>2009</u> \$	<u>2008</u> \$
INCOME			
Subscriptions		4,810,306	2,444,414
Law Reports		89,100	156,500
Seminar Income		940,800	515,415
Other Income		<u>3,596,264</u>	<u>2,701,312</u>
		<u>9,436,470</u>	<u>5,817,641</u>
EXPENDITURE			
Salaries, Wages and Statutory Contributions		1,691,518	1,711,633
Seminars and Meetings		545,890	283,010
Rent		1,193,532	1,019,220
Other Operating Expenses		<u>6,793,064</u>	<u>3,323,003</u>
		<u>10,224,004</u>	<u>6,336,866</u>
OPERATING DEFICIT	9	(787,534)	(519,225)
Taxation	8	-	(553,179)
Accumulated Surplus at beginning of Year		<u>3,430,518</u>	<u>4,502,922</u>
ACCUMULATED SURPLUS		<u>2,642,984</u>	<u>3,430,518</u>

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

**THE JAMAICAN BAR ASSOCIATION
BALANCE SHEET
AS AT SEPTEMBER 30, 2009**

	NOTES	<u>2009</u>	<u>2008</u>
		\$	\$
NET ASSETS EMPLOYED			
FIXED ASSETS	4	97,588	120,705
INVESTMENT	5	602	602
LONG TERM RECEIVABLE	6	13,422,953	10,405,391
CURRENT ASSETS			
Receivables		127,140	159,455
Taxation Recoverable		139,491	94,214
Inventories – Law Reports		2,009,454	2,054,490
Cash and bank		1,332,269	2,007,726
		3,608,354	4,315,884
CURRENT LIABILITIES			
Payables		671,803	684,918
		671,803	684,918
NET CURRENT ASSETS		2,936,551	3,630,967
TOTAL NET ASSETS		16,457,694	14,157,665
FINANCED BY			
Capital Surplus			
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
Norman Manley Law Fund		70,000	-
Capital Contributions		150,860	150,860
		524,560	454,560
ACCUMULATED SURPLUS		2,642,984	3,430,518
		3,167,544	3,885,078
Long Term Liabilities	7	13,290,150	10,272,587
TOTAL EQUITY		16,457,694	14,157,665

) President
) Secretary
) Treasurer

**THE JAMAICAN BAR ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED SEPTEMBER 30, 2009**

	<u>CAPITAL SURPLUS</u> \$	<u>ACCUMULATED SURPLUS</u> \$	<u>TOTAL</u> \$
Balance at Oct 1, 2007	454,560	4,502,922	4,957,482
Operating Deficit for year 2008	<u>-</u>	<u>(1,072,404)</u>	<u>(1,072,404)</u>
Balance at September 30, 2008	454,560	3,430,518	3,885,078
Norman Manley Law Fund	70,000		70,000
Operating Deficit for year 2009	<u>-</u>	<u>(787,534)</u>	<u>(787,534)</u>
Balance at September 30, 2009	<u>524,560</u>	<u>2,642,984</u>	<u>3,167,544</u>

**THE JAMAICAN BAR ASSOCIATION
STATEMENT OF CASH FLOWS
FOR YEAR ENDED SEPTEMBER 30, 2009**

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net (Deficit)/Surplus Per Financial Statements	(787,534)	(1,072,404)
Item not affecting Cash Resources:		
Depreciation	<u>23,117</u>	<u>23,117</u>
	(764,417)	(1,049,287)
Changes in Non-Cash Working Capital Components		
Inventories	45,036	(116,046)
Receivables	32,315	(90,004)
Taxation Recoverable	(45,277)	(35,155)
Payables	<u>(13,115)</u>	<u>(23,817)</u>
	18,959	(265,022)
Net Cash (Used) In Operating Activities	<u>(745,458)</u>	<u>(1,314,309)</u>
Investing Activities:		
Purchase of Fixed Asset	-	(45,000)
Long Term Receivables	<u>(3,017,563)</u>	<u>(2,276,179)</u>
Net Cash (used) in Investing Activities	<u>(3,017,563)</u>	<u>(2,321,179)</u>
Financing Activities:		
Norman Manley Law Fund	70,000	-
Long Term Liabilities	<u>3,017,563</u>	<u>2,276,179</u>
Net Cash provided by Financing Activities	<u>3,087,563</u>	<u>2,276,179</u>
Net	(675,458)	(1,359,309)
(Decrease) in cash and cash equivalents		
Cash Balances at Beginning of Year	<u>2,007,726</u>	<u>3,367,035</u>
Cash Balance at End of Year	<u><u>1,332,268</u></u>	<u><u>2,007,726</u></u>
Represented By:		
Bank	<u><u>1,332,268</u></u>	<u><u>2,007,726</u></u>

**THE JAMAICAN BAR ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED SEPTEMBER 30, 2009**

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, 2009**

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

	Furniture, Fixtures & Fittings \$	Computer Equipment \$	Total \$
Cost:			
October 1, 2008	1,139,683	556,874	1,696,557
Additions	-	-	-
September 30, 2009	<u>1,139,683</u>	<u>556,874</u>	<u>1,696,557</u>
Accumulated Depreciation:			
October 1, 2008	1,054,979	520,873	1,575,852
Charge for the year	<u>14,117</u>	<u>9,000</u>	<u>23,117</u>
September 30, 2009	<u>1,069,096</u>	<u>529,873</u>	<u>1,598,969</u>
Net book value 30.9.09	<u>70,587</u>	<u>27,001</u>	<u>97,588</u>
Net book value 30.9.08	<u>84,704</u>	<u>36,001</u>	<u>120,705</u>

5. INVESTMENT

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

	<u>2009</u> \$	<u>2008</u> \$
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, 2009**

6. LONG TERM RECEIVABLE

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
Loan to Jambar Holdings Limited b/f	10,405,391	8,129,212
Interest earned	<u>3,017,563</u>	<u>2,276,179</u>
	<u>13,422,954</u>	<u>10,405,391</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 (note 5). 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>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
Loan by Members of the Association b/f	10,272,587	7,996,408
Interest accrued	<u>3,017,563</u>	<u>2,276,179</u>
	<u>13,290,150</u>	<u>10,272,587</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, 2009**

8. TAXATION

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

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
Taxation charged at 33 1/3%:		
- Current year	-	-
- Under provision – Y/A 2005	-	553,178
	<u>-</u>	<u>553,178</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 \$3,473,341 (2008 - \$2,663,333) are available for offset against future profits.

9. OPERATING DEFICIT

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

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
Audit fees – current	195,000	195,000
Depreciation	23,117	23,117
Repair & Maintenance	65,104	44,866
Interest Income	<u>(50,333)</u>	<u>(199,307)</u>

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February 12, 2010

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, 2009.

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, 2009

	<u>2009</u>	<u>2008</u>
	<u>\$</u>	<u>\$</u>
INCOME		
Rental Income	65,170	62,881
Subscriptions	4,810,306	2,444,414
Social Affairs	2,660,898	2,029,318
Sale of Bands and Bibs	56,746	35,206
Jambar Publications	450,005	215,400
Miscellaneous	163,112	66,562
Interest on Deposits	50,333	141,945
Seminar Income	940,800	515,415
Law Reports	89,100	156,500
Management Fee	150,000	150,000
	<u>9,436,470</u>	<u>5,817,641</u>
EXPENDITURE		
Bands and Bibs	34,200	19,800
Salaries, Wages and Statutory Contributions	1,691,518	1,711,633
Uniforms	43,037	27,752
Postage and Sundries	133,334	67,060
Staff Welfare	15,230	35,790
Bank Charges	58,940	74,939
Printing/ Stationery	288,006	146,249
Jambar Publication	550,862	221,000
Rent	1,193,532	1,019,220
Social Affairs	2,002,119	1,175,759
Audit Fee	195,000	195,000
Electricity	328,580	311,423
Bad Debt	2,144,108	194,158
Repairs and Maintenance	65,104	30,000
Accountancy Fee	214,500	194,000
Telephone	239,950	142,814
Membership fees	-	4,300
Depreciation	23,117	23,117
Filing Fees- Registrar of Companies	-	-
Office Expenses	208,224	151,543
Security	44,650	45,289
Seminars and Meetings	545,890	283,010
Advertisement	-	9,450
Law Report Expense	45,036	-
Legal & Professional fees	-	175,000
Robing Room	38,825	54,710
Subscription Expense	120,242	18,608
Miscellaneous Expenses	-	5,242
	<u>10,224,004</u>	<u>6,336,866</u>
OPERATING (DEFICIT) for the year	<u>(787,534)</u>	<u>(519,225)</u>

**THE JAMAICA BAR ASSOCIATION
INCOME TAX COMPUTATION
YEAR OF ASSESMENT 2009**

	\$	\$
Loss per financial statements		(787,534)
Add: Depreciation		<u>23,117</u>
Adjusted loss		(764,417)
Less: Capital Allowances:		
Initial	-	
Annual	<u>45,591</u>	
		<u>45,591</u>
		(810,008)
Losses b/f		<u>(2,663,333)</u>
Losses c/f		<u>(3,473,341)</u>

THE JAMAICAN BAR ASSOCIATION

CAPITAL ALLOWANCE COMPUTATION

YEAR OF ASSESSMENT 2009

DETAILED DESCRIPTION	Cost \$	WDV b/f \$	Additions at Cost \$	TOTAL \$	Rate %	IA \$	Rate %	AA Amt \$	WDV C/F \$
Furniture & Fixtures	1,139,683	397,691	-	397,691	20	-	10	39,769	357,922
Computers:									
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	-	23.5	-	-
6	25,875	25,875	-	25,875		0	22.5	5,822	20,053
	<u>1,651,557</u>	<u>423,566</u>	<u>0</u>	<u>423,566</u>		<u>0</u>		<u>45,591</u>	<u>377,975</u>