

NEGRIL CHAMBER OF COMMERCE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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MAYE & CO. INTEGRITY ACCOUNTANTS
CHARTERED ACCOUNTANTS

NEGRIL CHAMBER OF COMMERCE LIMITED

DIRECTORS:

SECRETARY:

REGISTERED OFFICE: P.O. Box 3055, Negril, Westmoreland

REPORT OF THE DIRECTORS

The Directors have submitted their report together with the accounts for the year ended JUNE 30, 2020.

The net surplus for year before charging depreciation amounted to:	(483,102)
Less: Depreciation	<u>(221,313)</u>
DEFICIT BEFORE TAXATION	(704,415)
Less: Taxation based on the result of the year Income tax 25%	<u>-</u>
DEFICIT AFTER TAXATION	(704,415)
Surplus brought forward	<u>19,648,789</u>
<u>SURPLUS CARRIED FORWARD</u>	<u>\$ 18,944,374</u>

INDEPENDENT AUDITORS' REPORT
To the Members of
NEGRIL CHAMBER OF COMMERCE LIMITED

We have compiled the financial statements of Negril Chamber of Commerce Limited set out on pages 3 to 11, which comprises the company's statement of financial position as at June 30, 2020, the company's statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

The auditors responsibility is to express an opinion on the financial statements based on the audit. We conduct each audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

A compilation is the presentation, in financial statement format, of information presented by management and representation made by them.

We have not audited these financial statements and therefore we do not express an opinion on them.

MAYE & CO. INTEGRITY ACCOUNTANTS
CHARTERED ACCOUNTANTS

Montego Bay,
JAMAICA.

NEGRIL CHAMBER OF COMMERCE LIMITED

Statement of Financial Position

AS AT JUNE 30, 2020

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	10,491,946	12,053,000
Owed by related party	4	6,254,559	4,823,341
NVP Health Fund (Issa)	4b	10,400,006	10,400,006
Accounts Receivables	5	1,874,967	1,452,736
Taxation recoverable		1,947	-
Total current assets		<u>29,023,424</u>	<u>28,729,083</u>
CURRENT LIABILITIES			
Accounts payable	6	2,543,182	2,974,560
Negril Health Fund	7	1,208,822	-
Taxation payable	8	-	-
Total current liabilities		<u>3,752,004</u>	<u>2,974,560</u>
Net current assets		25,271,421	25,754,523
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>4,634,003</u>	<u>4,855,316</u>
Total assets less current liabilities		<u>29,905,424</u>	<u>30,609,839</u>
EQUITY			
Members' fund	10 (a)	60,044	60,044
Reserve	10 (b)	<u>29,845,380</u>	<u>30,549,795</u>
Total equity		<u>29,905,424</u>	<u>30,609,839</u>

The financial statements on pages 3 to 12 were approved for issue by the Board of Directors and signed on its behalf by:

..... DIRECTOR

Donald Grizzle

..... DIRECTOR

Sophie Roumel

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

NEGRIL CHAMBER OF COMMERCE LIMITED
Statement of Comprehensive Income
For the Year Ended JUNE 30, 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
Gross operating revenue		10,738,906	13,412,881
Cost of operating revenue		(8,109,875)	(6,367,446)
Gross operating profit		2,629,031	7,045,434
Administrative and other expenses		(3,268,471)	(2,780,750)
		(639,440)	4,264,684
Finance income		-	433,828
Finance cost		(64,975)	(88,618)
Profit/(loss) from operations before taxation		(704,415)	4,609,894
Taxation		-	-
Profit/(loss) for the year, being total comprehensive surplus/(deficit)		(704,415)	4,609,894

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

NEGRIL CHAMBER OF COMMERCE LIMITED
Company Statement of Changes in Equity
For the Year Ended JUNE 30, 2020

	Members' Fund	Building Reserve	Health Fund Reserve	Accumulated Deficit	Special Projects Surplus	Total
Balance at June 30, 2018	60,044	6,445,128	10,901,006	(8,688,773)	17,282,540	25,999,945
Total comprehensive profit for the year	-	-	-	4,609,894	-	4,609,894
Balance at June 30, 2018	60,044	6,445,128	10,901,006	(4,078,879)	17,282,540	30,609,839
Total comprehensive profit for the year	-	-	-	(704,415)	-	(704,415)
Balance at June 30, 2019	60,044	6,445,128	10,901,006	(4,783,294)	17,282,540	29,905,424

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

NEGRIL CHAMBER OF COMMERCE LIMITED
Company Statement of Cash Flows
For the Year Ended JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the year	(704,415)	4,609,894
Adjustment for:		
Depreciation	221,313	300,467
	(483,102)	4,910,361
(Increase)/decrease in current assets:		
Accounts receivable	(422,231)	(904,297)
Owed by related party	(222,395)	135,667
Increase/(decrease) in current liabilities:		
Accounts payable	(433,326)	(384,399)
Taxation Payable	-	-
Special grant amortization	-	-
	(1,561,053)	3,757,333
Cash provided by (used in) operations		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(0)	(1)
Investments		
Net cash used in investing activities	(0)	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Health Fund Reserve	-	-
Investments	-	-
Net cash used in investing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(1,561,053)	3,757,331
Cash and cash equivalents at beginning of the year	12,053,000	8,295,668
Cash and cash equivalents at end of the year	10,491,946	12,053,000
Represented by:		
Cash and cash equivalents	10,491,946	8,295,668
	10,491,946	8,295,668

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

NEGRIL CHAMBER OF COMMERCE LIMITED
Notes to the Financial Statements
For the Year Ended JUNE 30, 2020

1. Incorporation and Identity

Negril Chamber of Commerce Limited is a company limited by guarantee and does not have a share capital. The liability of each member is restricted to \$0.10. The company is incorporated and domiciled in Jamaica. The registered office of the company is Negril, P.O. Box 3055, Negril Westmoreland.

The main activity of the company is to promote Negril as a prime tourist destination under the name Negril Chamber of Commerce.

2. Basis of Preparation and Significant Accounting Policies

Basis of Preparation and Statement of Compliance.

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

a. Basis of Preparation:

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention and the relevant requirements of the Jamaican Companies Act.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed under their respective headings.

b. Revenue Recognition:

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is recognized when services have been performed and there is acceptance by the customer. No revenue is recorded if there are significant uncertainties regarding recovery of the consideration due, the associated costs. Revenue is shown net of Consumption Tax, returns, rebates and discounts. Interest income is recognised as it accrues, unless collectability is in doubt.

c. Foreign Currency Translation.

1. Functional and Presentation Currency.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. (The Functional Currency) The financial statements are presented in Jamaican dollars, which is the company's functional and presentational currency.

NEGRIL CHAMBER OF COMMERCE LIMITED
Notes to the Financial Statements
For the Year Ended June 30, 2020

c. 11. Transactions and Balances.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Gains or Losses arising from settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities dominated in foreign currencies are recognized in the statement of comprehensive income.

d. Plant, Machinery and Equipment.

Plant, machinery and equipment and other assets are carried at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated on the straight line basis at rates estimated to write off the cost of the assets over their expected useful lives. Annual rates used are as follows:

Buildings	2.5%
Furniture, fixtures and equipment	10%
Motor vehicles	20%
Computer systems	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses and disposal of plant, machinery and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income. Repairs and maintenance expenditure are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company.

e. Impairment of Non-Current Assets.

Plant, machinery and equipment and other assets are reviewed for impairment 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 the asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identified cash flows.

f. Receivables and Payables

Receivables and payables are carried at original invoice amounts. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount. Bad debts are written-off during the year in which they are identified.

NEGRIL CHAMBER OF COMMERCE LIMITED
Notes to the Financial Statements
For the Year Ended June 30, 2020

g. Cash and Short-term Deposits.

Cash and short-term deposits consist of cash on hand, deposits held on call with banks and other short-term highly liquid investments with less than 90 days' maturity from the date of acquisition. These are carried in the statement of financial position at cost.

h. Borrowings

Bank and other loans are recorded at proceeds received. Finance charges, including direct issue costs are accounted for on an accrual basis in the statement of comprehensive income and are added to the carrying amount of the loan to the extent that they are not settled in the period in which they arise.

i. Employee Benefits

Annual Leave Entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. At year end the company had no liability for annual leave as a result of services rendered by employees.

j. Financial Instruments.

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

Financial Assets

The company's financial assets comprise cash, investments, bank balances, deposits and accounts receivables. The particular recognition methods are disclosed in the individual policy statement associated with each item.

Financial Liabilities

The company's financial liabilities comprise trade payables, loans, and other liabilities. They are initially measured at a fair value, and subsequently measured at amortised cost using the effective interest method.

k. Taxation

The company has not completed its registration under the Department of Friendly Societies and therefore regular taxes are applicable until this registration is complete.

NEGRIL CHAMBER OF COMMERCE LIMITED
Notes to the Financial Statements
FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
3. Cash and Cash Equivalents		
This comprises:		
J\$ Current Account	3,774,782	357,878
US\$ Savings Account	6,648,663	7,564,882
J\$ Health fund accounts	-	2,857,109
US\$ Health fund accounts	-	1,204,631
Space Coast credit Union Miami	68,500	68,500
	<u><u>10,491,946</u></u>	<u><u>12,053,000</u></u>

4. Owed by Related Party

This represents amounts owed by Negril Vendor's Plaza from transactions done on th behalf by NCC net of NVP payments on NCC's behalf.

The NVP Health Fund represents amount advanced to the Negril Vendor's Plaza by director Lee Issa, with repayment designated for the Health Fund.

	2020	2019
	\$	\$
Negril Vendors Plaza	6,415,642	4,823,341
NVP Health Fund (Issa)	10,400,006	10,400,006
Negril Trust Fund	32,800	-
Negril recycling Center	20,000	-
Fireworks	(195,460)	-
Special Projects	(18,424)	-
	<u><u>16,654,565</u></u>	<u><u>15,223,347</u></u>

5. Accounts Receivable

JPS Meter Deposit	5,000	5,000
Membership Dues Receivables	116,350	477,425
Negril Guide	1,753,617	970,311
	<u><u>1,874,967</u></u>	<u><u>1,452,736</u></u>

NEGRIL CHAMBER OF COMMERCE LIMITED
Notes to the Financial Statements
FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
6. Accounts Payable & Accruals	\$	\$
	-	-
Tax Penalties & Interest	1,376,784	1,902,960
GCT Interest & Penalties	762,840	871,600
Accountant Fees Payable	200,000	200,000
Billy Craig Insurance	156,910	-
Other Payables	46,648	-
	<u>2,543,182</u>	<u>2,974,560</u>

7. Negril Health Fund Payable

This represent the current board allocation of 60% of the profits of the Gala and Food and Wine event to the Negril Health Fund \$1,126,922, plus direct donations of \$81,900.

8. Taxation

The company has generated taxable losses of \$4,306,166 for the year ended June 2020. Total tax losses carried forward is \$6,236,392.

	<u>2020</u>	<u>2019</u>
9. Share Capital and Reserves		
(a) Members' Fund		
This represents members contribution and fund-raising before incorporation of the company.	-	-
	<u> </u>	<u> </u>
(b) Reserves Comprise:		
Building Reserve		
Grant through the Tourism Action Plan		
and member's contribution to the Vendors Plaza	6,445,128	6,445,128
Revenue:		
Retained deficit	(4,783,294)	531,015
Special projects surplus	17,282,540	17,282,540
	<u>18,944,374</u>	<u>24,258,683</u>

NEGRIL CHAMBER OF COMMERCE LIMITED

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

NEGRIL CHAMBER OF COMMERCE LIMITED
Company Operating Account
FOR THE YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>Income</u>		
Member's Subscription	1,424,800	1,719,851
Projects		
Rootzfest	-	133,335
Coastal Cleanup	-	25,000
Recycling Centre	-	600,650
Fireworks	-	767,905
Donations	-	83,603
Health Fund Donations	-	43,100
Other Income/ AP adjustment	650,148	753,645
Exchange Income/ (Loss)	-	433,828
Fundraising Income		
Negril Guide	4,608,967	5,282,427
Gala	2,286,300	2,405,174
Food and Wine	1,768,691	1,598,191
	<u>10,738,906</u>	<u>13,846,708</u>
<u>Direct expenses</u>		
Negril Guide	1,717,570	2,360,256
Gala	1,454,727	1,479,097
Food and Wine	722,060	738,178
Rootzfest	-	133,335
Special Project	4,215,518	-
Coastal cleanup	-	28,000
Fireworks	-	1,003,650
Recycling expense	-	616,030
Trust Fund	-	8,900
Total direct expenses	<u>8,109,875</u>	<u>6,367,446</u>
Net Income	2,629,031	7,479,262
Administrative and other expenses (page 111)	<u>(3,333,446)</u>	<u>(2,869,368)</u>
Surplus/ (Deficit)	<u>(704,415)</u>	<u>4,609,894</u>

NEGRIL CHAMBER OF COMMERCE LIMITED
Company Administrative and Other Expenses
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	\$	\$
Salaries and related benefits	1,197,105	1,619,024
Advertising and promotions	45,219	74,320
Printing, postage and stationary	10,310	17,790
Accounting Fees	255,000	253,000
Legal and professional fees	-	5,000
Insurance	156,910	161,396
Transport & Travel	-	40,600
Depreciation	221,313	300,467
Bank Charges	64,975	88,618
Health Clinic Fund (60& Gala & F&W)	1,126,922	-
Donations & Subscriptions	-	154,049
Cleaning & Maintenance	-	15,000
Telephone	53,088	140,104
Other Expenses	202,603	-
Total administrative and other expenses	<u><u>3,333,446</u></u>	<u><u>2,869,368</u></u>

NEGRIL CHAMBER OF COMMERCE LIMITED

INCOME TAX COMPUTATION

YEAR OF ASSESSMENT 2020

			\$
Net (deficit)/surplus per accounts			(704,415)
ADJUSTMENTS			
Add:	Depreciation	221,313	
	Health Clinic Donations	1,126,922	
			<u>1,348,235</u>
			643,820
Less:	Capital Allowance		(221,313)
	Membership dues 2019	(1,424,800)	
	Food and Wine Net (Health Fund)	(1,046,631)	
	Negril Gala (Health Fund)	(831,573)	
	Accrued Income (see note 1)		
	Increase in Negril Guide Receivables	(783,306)	
			(4,086,309)
Tax Losses c/f			<u>(3,663,801)</u>
Losses b/f		(1,930,226)	
Losses set off Restricted to 50% of Profit			-
			<u><u>(3,663,801)</u></u>
TAX PAYABLE			-
Losses c/f			<u><u>(5,594,027)</u></u>

CAPITAL ALLOWANCE COMPUTATION

	COST	RATE	WDV	ADDS/DIS POSAL	ANNUAL ALLOWANCE	W.D.V C/FWD
Buildings	8,852,511	2.5%	3,837,316	-	221,313	3,616,003
Equipment	8,106,824	10.0%	-	-	-	-
Furniture & Fi	468,081	10.0%	-	-	-	-
Computers	267,060	20.0%	-	-	-	-
			3,837,316	-	221,313	3,616,003

NOTE 1

Due to the non-profit nature of the Chamber of Commerce, these accruals are considered non-obligatory and is therefore based on the goodwill of the member. No legal action will be engaged to recover these amounts. They are therefore reversed for tax purposes.