

**Jamaica Society for the Blind**

**Financial Statements**

**Year ended 31 December 2021**

Jamaica Society for the Blind  
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Year ended 31 December 2021

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# ROBERT G. MCLEGGON

Chartered Accountant & Registered Public Accountant

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28 March 2022

## **Independent Auditor's Report**

To the Members of The Jamaica Society for the Blind

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the separate financial statements of The Jamaica Society for the Blind ("the Charity") set out on pages 1 to 9, which comprise the statement of financial position as at 31 December 2021, the statements of activities and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Charity as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), The Department of Friendly Societies and the Jamaican Companies Act).

#### **Basis for Opinion**

I conducted the audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Charity in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Independent Auditor's Report  
To the Members of The Jamaica Society for the Blind**

**Responsibilities of Management and the Board of Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS for SMEs, the Department of Friendly Societies and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Charity's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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.

As part of an audit in accordance with ISAs, I exercised professional judgment and maintain professional skepticism throughout the audit. I also:

- i) 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 my 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.
- ii) 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 Charity's internal control.

**Independent Auditor's Report**

**The Board of Directors is responsible for overseeing the Charity's financial reporting process.**

- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) 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 Charity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- v) 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 presents a true and fair view.

I communicate with the Board of Directors 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.

**Report on additional matters as required by the Jamaican Companies Act**

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



Robert G. McLeggon  
Registered Public Accountant

Jamaica Society for the Blind  
Statement of Financial Position  
As at 31 December 2021

	Notes	31-Dec-21 J\$	31-Dec-20 J\$
<b>Assets</b>			
Property, plant and equipment	4	36,786,433	37,080,114
Other assets	5	1,161,841	1,063,162
Inventory	6	3,025,956	2,585,712
Receivables and prepayments	7	1,817,902	2,771,929
Cash and cash equivalents		14,837,855	10,213,278
<b>Total Assets</b>		<u>57,629,987</u>	<u>53,714,196</u>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Payables and accruals	8	2,432,578	603,217
<b>Total liabilities</b>		<u>2,432,578</u>	<u>603,217</u>
<b>Net Assets</b>			
Unrestricted	9	51,194,530	48,829,068
Temporarily restricted	10	4,002,879	4,281,911
		<u>55,197,408</u>	<u>53,110,979</u>
<b>Total liabilities and net assets</b>		<u>57,629,987</u>	<u>53,714,196</u>

Approved for issue by the Board and signed on its behalf on 28 March 2022 by:

\_\_\_\_\_  
Daemion McLean  
Chairman

\_\_\_\_\_  
Conrad Harris  
Executive Director

\_\_\_\_\_  
Peter Young  
Treasurer

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

Jamaica Society for the Blind  
Statement of Activities and Net Assets  
Year ended 31 December 2021

	Notes	31-Dec-21 J\$	Restated 31-Dec-20 J\$
Revenue, support and gains:			
Adaptive aids		587,200	544,100
Donations		6,744,335	1,514,543
Grants		13,936,654	13,055,068
Fund raising		-	8,000
Vision centre		18,271,501	14,300,508
Members dues		81,500	49,500
Internet café		2,000	2,300
Other revenue		952,808	877,332
Interest income		181,845	132,378
		<u>40,757,843</u>	<u>30,483,730</u>
Expense and loss:			
Program service expense		<u>17,289,965</u>	<u>13,578,450</u>
Support service expense:			
Management and general		21,108,780	17,304,050
Fund raising and development		-	12,270
Total support service expense		<u>21,108,780</u>	<u>17,316,320</u>
		<u>38,398,745</u>	<u>30,894,770</u>
Total expense and loss		<u>38,398,745</u>	<u>30,894,770</u>
Change in net assets		2,359,098	(411,040)
Net asset at the start of the year		<u>52,838,311</u>	<u>53,522,019</u>
Net asset at the end of the year		<u>55,197,408</u>	<u>53,110,979</u>

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

Jamaica Society for the Blind  
Cash Flow Statement  
Year ended 31 December 2021

	31-Dec-21	31-Dec-20
	J\$	J\$
Change in net assets	2,359,098	(411,040)
Add effects of non-cash items on operations:		
Depreciation and amortization	2,768,736	2,678,222
Decrease (increase) in inventory	(440,243)	31,156
Decrease (increase) in receivables and prepayments	954,027	262,534
Increase (decrease) in payables and accruals	1,829,361	(304,284)
Funds generated by operations	<u>7,470,979</u>	<u>2,256,588</u>
Cash flow from investing activities		
Decrease (increase) in cost of fixed assets	(2,475,055)	(1,096,281)
Decrease (Increase) in other assets	(98,679)	-
Cash from (used) in investing activities	<u>(2,573,734)</u>	<u>(1,096,281)</u>
Cash flow from financing activities		
Increase (decrease) net assets	<u>(272,668)</u>	-
Cash from financing activities	<u>(272,668)</u>	-
Increase in cash for the year	4,624,576	1,160,307
Cash at the start of the year	<u>10,213,279</u>	<u>9,052,972</u>
Cash at the end of the year	<u>8</u> <u>14,837,855</u>	<u>10,213,279</u>

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

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

1. Identification:

Jamaica Society for the Blind (JSB) is a registered charity under the Charities Act 2013. The Charity was incorporated in Jamaica on May 17, 1954 and is situated at 111 1/2 Old Hope Road, Kingston 6.

The focus of the JSB is assisting blind and visually impaired persons to adjust to their condition, lead productive lives and encourage, through public education, better optical care among the sighted.

Its programmes and services include vision testing, rehabilitation, instruction, library, links and public education.

The non-profit entity is a company limited by guarantee.

2. Restatement

The Company has restated its previously issued Statement of Statement of Activities and Net Assets for the year ended 31 December 2020 to correct for an error in its presentation of its expense relating to bad debt expense which was inadvertently presented as a management and general expense instead of a program service expense.

The following tables summarize the corrections on each of the affected financial statement line items for each period presented.

	Previously stated	restatement adjustment	As restated
2020			
Expense and Losses			
Program service expense	13,377,723	200,728	13,578,450
Management and general expense	17,504,778	(200,728)	17,304,050

3. Summary of significant accounting policies

The summary of significant accounting policies is presented to assist in the understanding of Jamaica Society for the Blind's financial statements. The financial statements and notes are representations of the management of the organization who are responsible for its integrity and objectivity. The accounting policies conform to generally accepted accounting policies and have been consistently applied in the preparation of the financial statements.

a) Basis of preparation

The financial statements are prepared under the historical cost convention and are presented in Jamaican Dollars (J\$), the functional currency of the charity.

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

The accounting policies have been applied consistently with prior years and, where necessary, prior year comparatives have been reclassified to conform to current year in financial reporting standards.

b) Use of estimates and judgement

The preparation of financial statements in conformity with generally accepted accounting principles requires the leadership of The Society to make estimates and judgements that affect certain reported amounts and disclosures. Accordingly, actual amounts may differ from these estimates. These estimates and the underlying assumptions are reviewed on an on-going basis. Revision to these estimates, when necessary, are recognized in the period in which the estimate is revised and future periods.

Judgements made by management in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of a material adjustments in the next financial year are discussed below:

3. Summary of significant accounting policies (continued)

i) Allowance for impairment loss on receivables

In determining the amounts to be reflected in the financial statements as receivable, management makes judgement regarding indicators of impairment, that is, whether there are any indicators that suggest that there maybe a measurable decrease in the expected future cash flows from receivables as well as the timing of the cash flows.

b) Use of estimates and judgement (continued)

ii) Residual values and expected life of property, plant and equipment

The expected useful life of an asset are reviewed on an on-going basis and , if expectation differs from previous estimates, the changes are accounted for in the financial year in which the estimate is revised. The expected useful life on an asset is defined in terms of the expected usefulness of the asset to the company

c) Cash

For the purpose of the Statement of Cash Flows, cash includes cash in hand and at bank at reporting date.

d) Credit Risk

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

Financial instruments which potentially subject the Jamaica Society for the Blind to credit risk consists principally of cash balances, maintained at credit worthy financial institutions, and receivable and prepayments. The cash balances are guaranteed up to a maximum of \$600,000 in any single institution by the Jamaica Deposit Insurance Corporation (JDIC) and the receivables and prepayments are with reputable individuals and institutions. Throughout its years of operations the Society has not sustained any loss as a result of its cash and/or receivables and prepayments balances and as such it does not feel there are any significant exposures to credit risk at this time.

e) Fixed assets

Property, plant and equipment is stated at cost. Depreciation is computed using the straight line method over the following useful lives:

	Years	Rate
Furniture, fixtures and equipment	10	10.0%
Buildings / Pavement	40	2.5%
Motor vehicles	5	20.0%
Computer	4	25.0%

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

3. Summary of significant accounting policies (continued)

e) Fixed assets (continued)

A full month's depreciation is charged during the month of purchase but none during the month of disposal.

Repairs and maintenance for property and equipment are charged to operations or capital reserve depending on the expenditure and major improvements are capitalized. Upon retirement, sale or other disposal of property furniture and equipment, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss recognised in the income statement.

f) Revenue, support and gains

Revenue and other support is recognized to the extent it is probable that economic value will flow to the organization and the value can be reliably measured. It is measured at the fair value of the consideration received.

The organization is almost totally dependent on contributions from its benefactors for financial support .

g) Inventory

Inventory is valued at the lower of cost or net realizable value.

h) Income taxes

The Jamaica Society for the Blind is a not-for-profit organization and as such is not subject to income tax.

i) Financial instruments

Financial instruments carried in the statement of financial position comprises cash and bank balances, accounts receivable and prepayments, payables and accruals.

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

3. Summary of significant accounting policies (continued)

j) Fair value

Definition:

Fair value is defined as the estimated arm 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 no quoted market exists, the fair value is determined using other appropriate valuation methodologies.

Determination of fair value:

The fair value of all financial instrument included in current assets and current liabilities are considered to approximate their carrying values due to the short term nature of the items.

Fair values shown may not necessarily be indicative of the amounts realizable.

k) Financial Statement presentation

The organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets

Unrestricted net assets are net assets that are not subject to donor-imposed stipulations and may be used at the JSB's discretion including funds which it has set aside for a specific purpose.

Temporarily restricted net assets

These are net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the JSB and/or the passage of time. When restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

3. Summary of significant accounting policies (continued)

Permanently restricted net assets

Permanently restricted net assets are net assets that are subject to donor-imposed stipulations that they be maintained permanently by the JSB. Generally, the donor of these assets permit the organizations to use all or part of the income earned in any related investments for general or specific purposes. There were no permanently restricted net assets at reporting date.

4. Property, Plant and equipment

	Land & Building	Motor Vehicle	Furniture & Equip	Computer Equipment	Total
	J\$	J\$	J\$	J\$	J\$
Cost or Valuation					
Start of the year	36,918,171	7,319,033	13,238,234	1,876,202	59,351,640
Additions	-	-	759,392	1,715,663	2,475,055
End of the year	36,918,171	7,319,033	13,997,627	3,591,864	61,826,695
Accumulated depreciation					
Start of the year	6,326,355	6,844,021	7,348,948	1,752,202	22,271,526
Charge for the year	548,534	474,997	1,466,500	278,705	2,768,736
End of the year	6,874,889	7,319,018	8,815,448	2,030,907	25,040,262
Carrying value:					
31 December 2021	30,043,282	15	5,182,179	1,560,957	36,786,433
31 December 2020	30,591,816	475,012	5,889,286	124,000	37,080,114

i. The motor vehicle was valued by an independent professional valuator using the market value at reporting date.

ii. For the purpose of calculating the depreciation of the building at reporting date the value of the land and building were as follows:

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

4. Property, Plant and equipment (continued)

	31-Dec-21	31-Dec-20
	J\$	J\$
Land	13,051,749	13,051,749
Building	23,590,422	23,590,422
Walkway	276,000	276,000
	<u>36,918,171</u>	<u>36,918,171</u>

5. Other Assets

	31-Dec-21	31-Dec-20
	J\$	J\$
Investment scholarship fund	<u>1,161,841</u>	<u>1,063,162</u>

Represents funds invested with Mayberry Investments and matures in 2023 at 7.75% per annum. Interest as been accrued accordingly.

6. Inventory

	31-Dec-21	31-Dec-20
	J\$	J\$
Inventory	<u>3,025,956</u>	<u>2,585,712</u>

7. Receivables and prepayments

	31-Dec-21	31-Dec-20
	J\$	J\$
Accounts receivable	938,004	1,928,606
Other Receivables	180,071	428,780
Prepayments	612,734	254,707
Withholding tax recoverable	10,299	5,842
Staff loan	76,794	153,995
	<u>1,817,902</u>	<u>2,771,929</u>

7. Receivables and prepayments (continued)

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

Aging of accounts receivable at reporting date is as follows:

Current	49,164	(45,360)
1 - 30	12,000	(351,247)
31 - 60	-	(100,718)
61 - 90	-	266,466
> 90	876,840	2,159,466
	<u>938,004</u>	<u>1,928,606</u>

8. Payables and accruals

	31-Dec-21	31-Dec-20
	J\$	J\$
Accounts payable	173,593	117,350
Other payables	209,800	13,800
Accruals	982,849	240,199
Payroll taxes payable	169,642	154,669
Customer Deposit	819,494	-
Contract settlement	117,529	117,529
Women's Committee Payable	(40,330)	(40,330)
	<u>2,432,578</u>	<u>603,217</u>

Aging of accounts payable at reporting date is as follows:

Current	173,593	61,530
1 - 30	-	31,424
31 - 60	(42,935)	-
> 90	42,935	24,397
	<u>173,593</u>	<u>117,350</u>

Jamaica Society for the Blind  
Notes to the financial statements  
Year ended 31 December 2021

9. Unrestricted Net Assets

	31-Dec-21	31-Dec-20
	J\$	J\$
Undesignated Reserves	15,708,774	13,343,312
	<u>35,485,756</u>	<u>35,485,756</u>
	<u>51,194,530</u>	<u>48,829,068</u>

10. Temporarily restricted net assets

	31-Dec-21	31-Dec-20
	J\$	J\$
Caribbean Council for the Blind / European Commission grant	1,223,919	1,223,919
Scholarship fund - Digicel	851,623	925,655
Eye Care Plus - The Digicel Foundation	549,337	549,337
Scholarship Fund (Marlon King)	50,000	250,000
Temp. Restricted Net Assets	1,290,000	1,295,000
GK Capital	38,000	38,000
	<u>4,002,879</u>	<u>4,281,911</u>

Temporary restricted net asset of \$1,295,000.00 includes \$45,000.00 re vision screening (down syndrome) and \$1,250,000.00 re blindness reserve adjustment.

11. Cash at end of year

Cash at the end of the year per statement of cash flows is as follows:

	31-Dec-21	31-Dec-20
	J\$	J\$
Cash and cash equivalents	<u>14,837,855</u>	<u>10,213,278</u>

**ROBERT G. McLEGGON**  
REGISTERED PUBLIC ACCOUNTANT

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28 March 2022

**Independent Auditor's Report**

To the Directors The Jamaica Society for the Blind

**Auditor's Report**

The information set out on pages 13 - 14, taken from the accounting records of the Company, has been subjected to the tests and other auditing procedures applied in my examination of the company's financial statements for the year ended 31 December 2020.

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



Robert G. McLeggon  
Registered Public Accountant

Jamaica Society for the Blind  
Program expense schedule  
for year ended 31 December 2021

	31-Dec-21	Restated 31-Dec-20
	J\$	J\$
Bad debt expense	1,130,974	200,728
Conference, conventions, seminars, etc.	-	50,000
Contractual service	2,783,500	1,723,500
Cost of sales	7,047,341	6,096,655
Depreciation	1,497,351	1,490,590
Electricity	536,015	399,454
Health insurance	123,905	111,777
Office expense	19,164	57,025
Provision of classes	370,574	-
Repairs and maintenance	47,250	32,067
Salary, wages and related expense	3,333,733	3,032,833
Security	89,400	110,608
Shipping and handling	88,984	146,330
Sponsorship	10,000	-
Stationery and printing	42,097	21,300
Vision centre - HSF 342	169,678	105,584
	17,289,965	13,578,450

Jamaica Society for the Blind  
Management and general expense schedule  
for year ended 31 December 2021

	31-Dec-21	Restated 31-Dec-20
	J\$	J\$
Audit and accounting fees	125,000	145,000
Adjustment to blindness	-	5,000
Bank charges	263,909	220,116
Cleaning and sanitation	9,000	3,975
Conference, conventions, seminars, etc.	600,008	164,320
Contractual service	180,082	116,136
Depreciation	1,271,385	1,187,632
Dues and subscriptions	119,725	221,174
Electricity	635,127	546,052
Foreign exchange adjustments	(347,282)	17,658
General insurance	379,615	348,964
Health insurance	206,508	186,296
Interest and penalties	-	42,680
Motor vehicle expense	503,466	380,776
Office expense	628,667	471,834
Professional fees	97,000	60,000
Repairs and maintenance	661,927	302,700
Salary, wages and related expense	11,335,056	10,730,213
Security	797,599	366,122
Members welfare	2,388,441	846,800
Stationery and printing	443,269	315,094
Stipend	93,255	11,500
Summer worker	45,500	30,000
Telephone and internet	404,085	410,587
Water	227,438	165,241
World sight day	40,000	-
Discount Allowed	-	8,180
	21,108,780	17,304,050

Jamaica Society for the Blind  
Fund raising and development expense schedule  
for year ended 31 December 2021

	31-Dec-21	31-Dec-20
	J\$	J\$
Advertising and promotions	-	12,270
Fund raising expense	-	-
	<hr/>	<hr/>
	-	12,270
	<hr/>	<hr/>