

Jamaica Foundation for Islamic Charity

**Financial Statements
31 December 2021**

Jamaica Foundation for Islamic Charity

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31 December 2021

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Independent Auditor's Report

To the Members of
Jamaica Foundation for Islamic Charity

Report on the Financial Statements

We have audited the accompanying financial statements of Jamaica Foundation for Islamic Charity, set out on pages 1 to 12, which comprise the statement of financial position as of 31 December 2021 and the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the charity as of 31 December 2021, and of the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Additional Requirements of the Jamaican Companies Act

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 preserved, so far as appears from our inspection of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Act, in the manner so required.

Richard Ranger, R.P.A., C.A., A.C.C.A.

Registered Public Accountant

14 March 2022

Ranger and Associates
Kingston, Jamaica

Jamaica Foundation for Islamic Charity

Statement of Comprehensive Income

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$	2020 \$
Revenue		5,719,187	2,633,522
Miscellaneous income		-	-
Expenses	5	<u>(3,654,066)</u>	<u>(2,512,690)</u>
Surplus before taxation		2,065,121	120,832
Taxation		<u>-</u>	<u>-</u>
NET SURPLUS, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,065,121</u>	<u>120,832</u>

The notes on pages 5 to 12 are an integral part of these financial statements

Jamaica Foundation for Islamic Charity

Statement of Financial Position

31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$	2020 \$
Non – Current Assets			
Fixed Assets	6	1,833,313	13,971
Deferred tax assets		-	-
		<u>1,833,313</u>	<u>13,971</u>
Current Assets			
Inventories		120,355	98,463
Receivables	7	-	-
Cash and cash equivalents	8	<u>1,202,566</u>	<u>943,301</u>
		<u>1,322,921</u>	<u>1,041,764</u>
Current Liabilities			
Payables	9	227,334	192,788
Taxation payable		-	-
		<u>227,334</u>	<u>192,788</u>
Net Current Assets		<u>1,095,587</u>	<u>848,976</u>
		<u>2,928,900</u>	<u>862,947</u>
Equity			
Capital		99,266	99,266
Accumulated Surplus		<u>2,829,634</u>	<u>763,681</u>
		2,928,900	862,947
Non – Current Liabilities			
Trustees' loan		-	-
		<u>2,928,900</u>	<u>862,947</u>

Approved for issue by the Board of Trustees on 15 March 2022 and signed on its behalf by:

Sharon Gillett–Chambers

Director

Michael Gillett–Chambers

Director

The notes on pages 5 to 12 are an integral part of these financial statements

Jamaica Foundation for Islamic Charity

Statement of Changes in Equity

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Capital	Accumulated Surplus	Total
	\$	\$	\$
Balance as at 1 January 2020	99,266	643,681	742,947
Prior year adjustments	-	-	-
Total comprehensive income for the year	-	120,832	120,832
Balance as at 31 December 2020	99,266	764,513	863,779
Total comprehensive income for the year	-	2,065,121	2,065,121
Balance as at 31 December 2021	99,266	2,829,634	2,928,900

The notes on pages 5 to 12 are an integral part of these financial statements

Jamaica Foundation for Islamic Charity

Statement of Cash Flows

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$	2020 \$
CASH RESOURCES WERE PROVIDED BY/(USED IN):			
Operating Activities			
Net Surplus		2,065,121	120,832
Adjustments for			
Depreciation	6	460,658	4,658
Income tax expenses		-	-
		<u>2,525,779</u>	<u>125,490</u>
Changes in non-cash working balances			
Inventories		(21,892)	(58,485)
Receivables		-	-
Payables		<u>34,546</u>	<u>56,128</u>
		2,538,433	123,133
Other non – cash transactions		832	(832)
Taxation paid		<u>-</u>	<u>-</u>
Net cash provided by operating activities		<u>2,539,265</u>	<u>122,301</u>
Cash flows from Investing activities			
Purchase of fixed assets	6	<u>(2,280,000)</u>	<u>-</u>
Net cash provided by / (used in) investing activities		<u>(2,280,000)</u>	<u>-</u>
Cash flows from Financing activities			
Capital injection		-	-
Trustees loan receipt		<u>-</u>	<u>-</u>
Net cash provided by / (used in) financing activities		<u>-</u>	<u>-</u>
Increase in cash and cash equivalents during the year		259,265	122,301
Net cash and cash equivalents at beginning of year		<u>943,301</u>	<u>821,000</u>
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	8	<u>1,202,566</u>	<u>943,301</u>

The notes on pages 5 to 12 are an integral part of these financial statements

Jamaica Foundation for Islamic Charity

Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

The charity is incorporated and domiciled in Jamaica.

The principal activity of the charity is to provide foods and other basic living products to the less fortunate in the society. The charity accepts donations from the members of the general public.

The charity's resident office is located 608G Oaklands, 114 – 116 Constant Spring Road, Kingston, Jamaica.

2. Significant Accounting Policies

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

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also 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 actions, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of General Consumption Tax.

(c) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of the asset over the period of their useful lives. The annual rates are as follows: -

Furniture and equipment	10%
Motor vehicle	20%

Jamaica Foundation for Islamic Charity

Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Foreign currency translation

Foreign currency transactions are translated into Jamaican dollars using the exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at appropriate rates of exchange ruling on statement of financial position date. Foreign exchange gains and losses resulting from the settlement of transactions at rates different from those at the dates of the transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

(e) 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 charity classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables are classified as 'Receivables' on the statement of financial position.

Financial liabilities

The Company's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method.

(f) Income taxes

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or credited to equity, in which case deferred tax is also dealt with in equity.

Current and deferred tax assets and liabilities are offset when they are payable to the same taxation authority, and the charity intends to settle on a net basis.

Jamaica Foundation for Islamic Charity

Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(h) Impairment of non-current assets

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are assessed at the lowest levels for which there are separately identifiable cash flows.

(i) Provisions

Provisions are recognised when the charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the charity expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(j) Receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

Bad debts are written off during the year in which they are identified.

(k) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash and bank balances.

3. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Management focuses on the unpredictability of the markets in which they operate and seeks to minimise potential adverse effects on the Company's financial performance.

The Board of Directors sets guidelines for overall risk management including specific areas such as interest rate and credit risk. Risk management activities include evaluation and management of financial risks, and are carried out by Management. There has been no change in the manner in which the charity manages and measures these risks.

Jamaica Foundation for Islamic Charity

Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk

The charity takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the charity by failing to discharge their contractual obligations. Credit risk is an important risk for the charity's business; management therefore carefully manages its exposure to credit risk. Credit exposure arises principally from the company's cash balance.

The charity has no significant concentrations of credit risk.

Cash transactions are limited to high credit quality institutions.

Maximum exposure to credit risk

The charity's maximum exposure to credit risk at year end was as follows:

	2021 \$	2020 \$
Receivables	-	-
Cash and cash equivalents	<u>1,202,566</u>	<u>943,301</u>
	<u>1,202,566</u>	<u>943,301</u>

As of 31 December 2021, there were no receivables that were considered impaired.

(b) Liquidity risk

Liquidity risk is the risk that the charity is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

(c) Market risk

The charity takes on exposure to market risks, 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 exposures are measured using sensitivity analysis.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in exchange rates.

The charity does not have a significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Floating rate instruments expose the charity to cash flow interest risk, whereas fixed rate instruments expose the charity to fair value interest rate risk.

The charity currently has no exposure to interest rate risk.

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Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the charity defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

Consistent with others in the industry, the charity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2021 and 31 December 2020 as follows:

	2021	2020
	\$	\$
Total borrowings (Notes 9)	227,334	192,788
Less: cash and cash equivalents	(1,202,566)	(943,301)
Net debt	-	-
Total equity	2,928,900	862,947
Total capital	2,928,900	862,947
Gearing ratio	0.00%	0.00%

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

The charity is not subject to externally imposed capital requirements.

(e) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the charity for similar financial instruments.

Jamaica Foundation for Islamic Charity

Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The charity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The charity recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Expenses by Nature

Total expenses:

	Note	2021 \$	2020 \$
Auditor's remunerations		75,000	35,000
Bank charges		1,651	2,664
Company Office of Jamaica Annual and other services fees		16,920	16,900
Damaged and obsolete goods		-	-
Depreciation	6	460,658	4,658
Electricity		67,079	54,212
Foreign exchange and loss		13,623	-
Goods purchased for donation		2,551,773	2,147,361
Irrecoverable GCT		122,787	121,894
Insurance expense		132,456	-
Office and other general expense		29,473	9,235
Other legal professional fees		20,000	-
Motor vehicle expense		64,200	-
Packaging expense		30,309	18,859
Property Tax		7,455	3,905
Repairs and maintenance expense		36,000	36,757
Stationery and printing expense		2,556	28,338
Travelling expense		-	10,000
Water		22,126	22,907
		<u>3,654,066</u>	<u>2,512,690</u>

Jamaica Foundation for Islamic Charity

Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

6. Fixed Assets

	2021		
	Furniture Fixtures & Equipment \$	Motor vehicle \$	Total \$
Cost or Valuation			
At 1 January 2021	46,577	-	46,577
Additions	-	2,280,000	2,280,000
At 31 December 2021	46,577	2,280,000	2,326,577
Depreciation -			
At 1 January 2021	32,606	-	32,606
Charge for the year	4,658	456,000	460,658
At 31 December 2021	37,264	456,000	493,264
Net Book Value -			
31 December 2021	9,313	1,824,000	1,833,313
	2020		
	Furniture Fixtures & Equipment \$	Motor vehicle \$	Total \$
Cost or Valuation			
At 1 January 2020	46,577	-	46,577
Additions	-	-	-
At 31 December 2020	46,577	-	46,577
Depreciation -			
At 1 January 2020	27,948	-	27,948
Charge for the year	4,658	-	4,658
At 31 December 2020	32,606	-	32,606
Net Book Value -			
31 December 2020	13,971	-	13,971

Jamaica Foundation for Islamic Charity

Notes to the Financial Statements

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

7. Receivables

	2021 \$	2020 \$
Trade	-	-
Other (funds pledge by donors)	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

8. Cash and Cash Equivalents

	2021 \$	2020 \$
Cash at Bank	965,333	833,247
Cash in hand	237,233	110,054
	<u>1,202,566</u>	<u>943,301</u>
Bank overdraft	-	-
	<u>1,202,566</u>	<u>943,301</u>

9. Payables

	2021 \$	2020 \$
Accrued expenses	165,459	115,282
Other	61,875	77,506
	<u>227,334</u>	<u>192,788</u>
	<u>227,334</u>	<u>192,788</u>

