



# Trinidad and Tobago Transparency Institute

Audited Financial Statements

For the year ended December 31, 2017



# Trinidad and Tobago Transparency Institute

## Audited Financial Statements

For the year ended December 31, 2017

*(Expressed in Trinidad and Tobago Dollars)*

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## Independent Auditor's Report

To the Members of  
Trinidad and Tobago Transparency Institute

### Opinion

We have audited the financial statements of Trinidad and Tobago Transparency Institute (the "Institute"), which comprise the statement of financial position as at December 31, 2017 and the statement of comprehensive income and accumulated fund, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Sized Entities ("IFRS for SMEs").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs for SMEs, 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

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

Our 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 our 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.



## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- 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 our 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.
- 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Institute's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- 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 achieves fair presentation.

We communicate with those charged with governance 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.



August 30, 2018

Port of Spain,  
Trinidad, West Indies

# Trinidad and Tobago Transparency Institute

## Statement of Financial Position

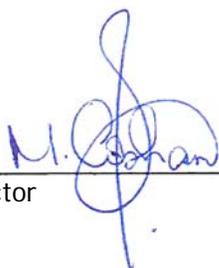
As at December 31, 2017

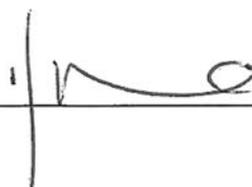
(Expressed in Trinidad and Tobago Dollars)

	Notes	2017	2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Plant and equipment	4	49,628	23,536
<b>Total non-current assets</b>		<b>49,628</b>	<b>23,536</b>
<b>Current Assets</b>			
Members' subscriptions receivable	5	48,700	35,400
Cash and cash equivalents	6	1,060,458	516,927
<b>Total current assets</b>		<b>1,109,158</b>	<b>552,327</b>
<b>TOTAL ASSETS</b>		<b>\$1,158,786</b>	<b>\$575,863</b>
<b>ACCUMULATED FUND</b>			
Accumulated fund		826,024	390,307
<b>Total accumulated fund</b>		<b>826,024</b>	<b>390,307</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Sundry creditors and accruals		24,589	26,689
Deferred income	7	305,008	155,730
Taxation payable		3,165	3,137
<b>Total current liabilities</b>		<b>332,762</b>	<b>185,556</b>
<b>TOTAL ACCUMULATED FUND AND LIABILITIES</b>		<b>\$1,158,786</b>	<b>\$575,863</b>

*See accompanying notes to the financial statements.*

On August 30, 2018, the directors of Trinidad and Tobago Transparency Institute authorised these financial statements for issue.

  
Director

  
Director

# Trinidad and Tobago Transparency Institute

## Statement of Comprehensive Income and Accumulated Fund

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

	Notes	2017	2016
<b>Revenue</b>			
Project and other income	8	1,903,753	766,043
Members subscriptions		131,950	128,500
Donations	9	1,835	66,540
Interest income		-	1,316
<b>Total revenue</b>		<b>2,037,538</b>	<b>962,399</b>
<b>Expenses</b>			
Administrative expenses	10	(769,364)	(659,554)
Finance costs	12	(1,295)	(500)
Project costs	13	(827,173)	(165,506)
<b>Total expenses</b>		<b>(1,597,832)</b>	<b>(825,560)</b>
<b>Surplus before taxation</b>		<b>439,706</b>	<b>136,839</b>
Taxation	14	(3,989)	(3,137)
<b>Total comprehensive income for the year</b>		<b>\$435,717</b>	<b>\$133,702</b>
Accumulated fund as at beginning of the year		390,307	256,605
<b>Accumulated fund as at end of the year</b>		<b>\$826,024</b>	<b>\$390,307</b>

*See accompanying notes to the financial statements.*

# Trinidad and Tobago Transparency Institute

## Statement of Cash Flows

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

	2017	2016
<b>Cash flows from operating activities</b>		
Surplus before taxation	439,706	136,839
Adjustments to reconcile surplus to net cash from operating activities:		
Depreciation	5,638	4,007
	445,344	140,846
Changes in operating assets/liabilities:		
Increase in members subscriptions receivable	(13,300)	(8,200)
Decrease in sundry debtors	-	55,050
(Decrease)/increase in sundry creditors and accruals	(2,100)	2,771
Increase in deferred income	149,278	113,630
<b>Cash provided by operations</b>	579,222	304,097
Taxes paid	(3,961)	(366)
<b>Net cash provided by operating activities</b>	575,261	303,731
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(31,730)	-
<b>Net cash used in investing activities</b>	(31,730)	-
<b>Net increase in cash and cash equivalents</b>	543,531	303,731
<b>Cash and cash equivalents</b>		
At beginning of year	516,927	213,196
<b>At end of year</b>	<b>\$1,060,458</b>	<b>\$516,927</b>

*See accompanying notes to the financial statements.*

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

For the year ended December 31, 2017

*(Expressed in Trinidad and Tobago Dollars)*

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### 1. Incorporation and Business Activities

Trinidad and Tobago Transparency Institute (the "Institute") was incorporated in the Republic of Trinidad and Tobago on February 1, 2001, and is a non-profit company not having a share capital. The registered office of the Institute is located at Building 7, Unit 4-12, Fernandes Industrial Centre, Eastern Main Road, Laventille.

The principal objects are:

- a) To act as the Trinidad and Tobago National Chapter of Transparency International, the global civil society organisation headquartered in Berlin, Germany;
- b) To counter corruption defined as the misuse of entrusted power for private gain; and
- c) For the attainment of its purpose the Institute shall inter-alia work with Transparency International organs, other National Chapters and similar organisations to seek to achieve institutional reform, heightened public awareness, provide general information relating to the nature and consequences of corruption in international and local business transactions and to formulate strategies to combat corruption and to promote transparency.

### 2. Significant Accounting Policies

#### 2.1 Basis of preparation

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

The Institute's financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities.

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

#### 2.2 Foreign currency

##### *Functional and presentation currency*

Items included in the financial statements of the Institute are measured using the currency of the primary economic environment in which the Institute operates (the "functional currency"). The financial statements are presented in Trinidad and Tobago dollars, which is the functional and presentation currency.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income and accumulated fund. Such balances are translated at the year-end exchange rates.

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

For the year ended December 31, 2017

*(Expressed in Trinidad and Tobago Dollars)*

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### 2. Significant Accounting Policies (continued)

#### 2.3 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Institute adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when the cost is incurred if the replacement part is expected to provide incremental future benefits to the Institute; the carrying amount of the replaced part is derecognised.

Repairs and maintenance costs are charged to the statement of comprehensive income and accumulated fund when the expenditure is incurred.

Depreciation is calculated using the reducing balance basis so as to allocate the cost of the assets less their residual value over their estimated useful lives as follows:

Furniture and fittings	-	10%
Computer equipment	-	25%
Office equipment	-	25%

The assets' residual values and useful lives are reviewed at each statement of financial position date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the asset's carrying amount and are included in the statement of comprehensive income.

#### 2.4 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.5 Members' subscriptions receivables and sundry debtors

Members subscriptions receivables and sundry debtors are recognised and carried at fair value less provision for impairment. A provision for impairment of members subscriptions receivables and sundry debtors is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the sundry debtor is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and accumulated fund within administration expenses.

#### 2.6 Cash and cash equivalents

Cash and cash equivalents consist of deposits held at call with bank and funds held in an Income Fund.

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

For the year ended December 31, 2017

*(Expressed in Trinidad and Tobago Dollars)*

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### 2. Significant Accounting Policies (continued)

#### 2.7 Accumulated fund

Any surplus or deficit on the statement of comprehensive income is carried forward to the accumulated fund.

#### 2.8 Sundry creditors and accruals

Sundry creditors and accruals which are normally settled on 30-90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Institute.

#### 2.9 Provisions

Provisions are recognised when the Institute 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 the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 2.10 Revenue recognition

The Institute is operated as the National Chapter of Transparency International. The income consists mainly of grants, membership subscriptions and donations. Income is recognised on the accruals basis and sponsorship revenue and donations are recognised on the receipts basis.

#### 2.11 Expenses

Expenses are recognised on the accrual basis in the reporting period during which the related income is earned.

#### 2.12 Taxation

The Institute is a registered non-profit organisation and provides for Green fund levy at the statutory rate of 0.3% on gross income for the year.

### 3. Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The fair value estimation of the Institute's financial assets and liabilities approximates to their carrying amounts at the statement of financial position date.

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

### 4. Plant and Equipment

	Furniture and fittings	Computer equipment	Office Equipment	Total
<b>Cost</b>				
Balance as at January 1, 2017	30,590	13,631	3,000	47,221
Additions	-	23,221	8,509	31,730
<b>Balance as at December 31, 2017</b>	<b>30,590</b>	<b>36,852</b>	<b>11,509</b>	<b>78,951</b>
<b>Accumulated depreciation</b>				
Balance as at January 1, 2017	13,318	7,823	2,544	23,685
Depreciation charge for the year	1,726	2,885	1,027	5,638
<b>Balance as at December 31, 2017</b>	<b>15,044</b>	<b>10,708</b>	<b>3,571</b>	<b>29,323</b>
<b>Net book value as at December 31, 2017</b>	<b>\$15,546</b>	<b>\$26,144</b>	<b>\$7,938</b>	<b>\$49,628</b>
<b>Cost</b>				
Balance as at January 1, 2016	30,590	13,631	3,000	47,221
<b>Balance as at December 31, 2016</b>	<b>30,590</b>	<b>13,631</b>	<b>3,000</b>	<b>47,221</b>
<b>Accumulated depreciation</b>				
Balance as at January 1, 2016	11,399	5,887	2,392	19,678
Depreciation charge for the year	1,919	1,936	152	4,007
<b>Balance as at December 31, 2016</b>	<b>13,318</b>	<b>7,823</b>	<b>2,544</b>	<b>23,685</b>
<b>Net book value as at December 31, 2016</b>	<b>\$17,272</b>	<b>\$5,808</b>	<b>\$456</b>	<b>\$23,536</b>

### 5. Members' Subscriptions Receivable

	2017	2016
Members' subscriptions receivable	59,900	110,325
Provision for bad debts	(11,200)	(74,925)
	<b>\$48,700</b>	<b>\$35,400</b>

### 6. Cash and Cash Equivalents

	2017	2016
Cash at bank	955,181	412,885
UTC Income fund investment	104,777	103,542
Cash in hand	500	500
	<b>\$1,060,458</b>	<b>\$516,927</b>

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

### 7. Deferred Income

	2017	2016
TI Impact Funding	179,623	65,030
Atlantic LNG	105,385	-
Integrity Club	20,000	-
NH International (Caribbean) Limited	-	50,000
JB Fernandes Memorial Trust Fund	-	38,350
Members subscriptions	-	2,350
	<b>\$305,008</b>	<b>\$155,730</b>

### 8. Project and Other Income

	2017	2016
TI Impact Funding	682,025	284,543
Trinidad and Tobago Extractive Industries Transparency Initiative	619,809	-
Anti Corruption Conference	264,915	278,650
First Citizens Bank	150,000	150,000
Atlantic Project	147,115	-
Anti Corruption Day	38,350	-
British High Commission	-	36,450
Fund Raising Dinner	-	11,050
Other project income	1,539	5,350
	<b>\$1,903,753</b>	<b>\$766,043</b>

### 9. Donations

	2017	2016
Satu-Ann I. Ramcharan	-	50,000
Ansa McAl	-	15,000
Others	1,835	1,540
	<b>\$1,835</b>	<b>\$66,540</b>

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

### 10. Administrative Expenses

	2017	2016
Staff costs (Note 11)	333,193	347,632
Bad debts	77,500	23,800
Rent	70,200	48,600
International travel	64,100	20,574
Advertising	40,744	26,858
Audit and accounting fees	23,900	22,051
Venue and catering	23,765	-
Videotaping/photography	21,643	-
Telephone and internet	21,388	10,061
Legal and professional fees	15,763	3,264
Website expenses	14,400	21,763
Meeting expenses	13,858	51,641
Consultancy fees	12,855	48,000
Local travel	10,315	-
Printing and stationery	8,121	1,406
Depreciation	5,638	4,007
Electricity	4,934	5,223
Office expenses	2,904	10,741
Repairs and maintenance	207	209
Miscellaneous expenses	3,936	13,724
	<b>\$769,364</b>	<b>\$659,554</b>

### 11. Staff Costs

	2017	2016
Salaries and wages	310,821	332,791
NIS contributions	22,372	14,841
	<b>\$333,193</b>	<b>\$347,632</b>
Number of employees	<b>3</b>	<b>4</b>

### 12. Finance Costs

	2017	2016
Bank charges	1,295	654
Gain on foreign exchange	-	(154)
	<b>\$1,295</b>	<b>\$500</b>

### 13. Project Costs

	2017	2016
Trinidad and Tobago Extractive Industries Transparency Initiative	559,749	-
Anti Corruption Conference	170,309	159,924
Atlantic project	97,115	-
JB Fernandes Memorial Trust Fund	-	5,582
	<b>\$827,173</b>	<b>\$165,506</b>

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

### 14. Taxation

	2017	2016
Green Fund Levy	3,989	3,137
	<u>\$3,989</u>	<u>\$3,137</u>

The effective tax rate differs from the theoretical amount that would arise using the basic tax rate of the Company as follows

	2017	2016
Accounting profit	439,706	136,839
Tax at applicable tax rate	109,927	34,210
Nondeductible expenses	399,458	206,390
Nontaxable income	(509,385)	(240,600)
Green Fund Levy	3,989	3,137
	<u>\$3,989</u>	<u>\$3,137</u>

### 15. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Institute.

Transactions with key management personnel during the year were as follows:

	2017	2016
Key management compensation		
Short-term benefits	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

### 16. Subsequent Events

The Institute has evaluated subsequent events from January 1, 2018 through to August 30, 2018, the date the financial statements were available to be issued. During this period, the Institute did not have any subsequent events requiring recognition or disclosure in the financial statements.