

Trinidad and Tobago Transparency Institute

Financial Statements

31 December 2009

Brian Fletcher & Co
Chartered Accountants

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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Brian Fletcher & Co
Chartered Accountants

Independent Auditors' Report

To the members of
Trinidad and Tobago Transparency Institute

Report on the financial statements

We have audited the accompanying financial statements of Trinidad and Tobago Transparency Institute, which comprise the statement of financial position as of 31 December 2009 and the statement of comprehensive income and statement of 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 and the fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 auditors' 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 auditors consider 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.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trinidad and Tobago Transparency Institute as of 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



Maraval
TRINIDAD
27 May 2010

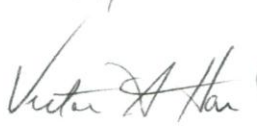

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

STATEMENT OF FINANCIAL POSITION

	Note	31 DECEMBER	
		2009	2008
CURRENT ASSETS			
Sundry debtors and prepayments		37,764	7,597
Cash on deposit		217,872	207,948
Cash at bank		<u>380,127</u>	<u>68,856</u>
		<u>635,763</u>	<u>284,401</u>
CURRENT LIABILITIES			
Sundry creditors and accruals		21,891	18,536
Payments in advance		339,664	1,475
Taxation payable		<u>922</u>	<u>469</u>
		<u>362,477</u>	<u>20,480</u>
NET CURRENT ASSETS		<u>273,286</u>	<u>263,921</u>
		<u>\$273,286</u>	<u>\$263,921</u>
REPRESENTED BY:			
ACCUMULATED FUND	4	<u>273,286</u>	<u>263,921</u>
		<u>\$273,286</u>	<u>\$263,921</u>

The accompanying notes on pages 6 to 10 form an integral part of these financial statements.

On ~~27/5/09~~ the Board of Directors authorised these financial statements for issue.

 :Director
  :Director

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

STATEMENT OF COMPREHENSIVE INCOME

	YEAR ENDED 31 DECEMBER	
	2009	2008
INCOME		
Donations	135,220	4,200
Interest income	9,924	12,339
Consultancy income	1,842	19,137
Project income	184,230	4,000
Rental income	10,000	-
Subscriptions	<u>112,050</u>	<u>120,500</u>
	<u>453,266</u>	<u>160,176</u>
EXPENDITURE		
Administration expenses	(173,292)	(138,380)
Finance costs	(10,736)	(749)
Project costs	<u>(259,420)</u>	<u>(47,865)</u>
	<u>(443,448)</u>	<u>(186,994)</u>
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAXATION	9,818	(26,818)
TAXATION – Green fund levy	(453)	(160)
NET SURPLUS/(DEFICIT)	<u>\$ 9,365</u>	<u>\$(26,978)</u>

The accompanying notes on pages 6 to 10 form an integral part of these financial statements.

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

STATEMENT OF CASH FLOWS

	YEAR ENDED 31 DECEMBER	
	2009	2008
Cash flows from operating activities		
Net surplus/(deficit) for the year	<u>9,818</u>	(<u>26,818</u>)
Operating surplus/(deficit) before working capital changes	9,818	(26,818)
(Increase)/decrease in sundry debtors and prepayments	(30,167)	41,428
Increase in sundry creditors	3,355	9,094
Increase in payments in advance	<u>338,189</u>	<u>375</u>
Net cash from operating activities	<u>321,195</u>	<u>24,079</u>
Net increase in cash for the year	321,195	24,079
Cash and Cash Equivalents at beginning of year	<u>276,804</u>	<u>252,725</u>
Cash and Cash Equivalents at end of year	<u>\$ 597,999</u>	<u>\$ 276,804</u>
Represented by:		
Cash at bank	380,127	68,856
Cash on deposit	<u>217,872</u>	<u>207,948</u>
	<u>\$ 597,999</u>	<u>\$ 276,804</u>

The accompanying notes on pages 6 to 10 form an integral part of these financial statements.

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

1. Incorporation And Principal Objects

The Institute was incorporated in the Republic of Trinidad and Tobago on 1st February 2001, and is a non-profit company not having a share capital. The registered office of the Institute is located at Unit 1, Upper Level, Elan House, 137 Eastern Main Road, St. Augustine.

The principal objects are: -

- (a) To counter corruption defined as the misuse of public power for private gain; and
- (b) 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

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.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 the Board of Directors to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed.

2.2 Adoption of new and revised IFRSs

During the current year the Institute adopted all the new and revised IFRSs and International Financial Reporting Interpretation Committee Standards (IFRICs) which are relevant to its operations and are effective for accounting periods commencing on 1 January 2008. The Institute has implemented early adoption of the Standards. The adoption of these Standards does not have a material effect on the financial statements. At the date of authorisation of these financial statements, some standards were in issue but not yet effective. The Board expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Institute.

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009
(Continued)

2. Significant Accounting Policies (continued)

2.3 Taxation

The Institute is a registered non-profit company and is exempt from the payment of corporation tax.

2.4 Sundry debtors

Sundry debtors are recognised at fair value less provision for impairment. A provision for impairment of 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 debtors 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 within administration expenses.

2.5 Income and expenditure recognition

The Institute is operated as the National Chapter of Transparency International. The income consists mainly of grants and membership subscriptions. Income and expenditure items are dealt with on the accrual basis. Any surplus or deficit on the statement of comprehensive income is carried forward to the Accumulated Fund.

2.6 Foreign currency translation

(a) 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 Institute's financial statements are presented in Trinidad and Tobago dollars.

(b) Transactions and balances

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

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009
(Continued)

3. Financial Risk Management

3.1 Financial risk factors

The Institute is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Institute to manage these risks are discussed below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Institute is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in money market deposits and other funding instruments.

(b) Credit risk

Cash balances are held with high credit quality financial institutions and the Institute has policies to limit the amount of exposure to any financial institutions.

The Institute also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

(c) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An attached position potentially enhances profitability, but can also increase the risk of losses. The Institute has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The Institute is exposed to daily calls on the available cash resources to settle financial and other liabilities.

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

(Continued)

3.2 Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Institute. The Institute employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by generating sufficient cash from new and existing sources of income to settle outstanding liabilities.

To manage and reduce liquidity risk the Board actively meets to match cash inflows with liability requirements.

(a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Institute's measurement currency.

(b) Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Institute's information technology and control systems as well as the risk of human error and natural disaster. The Institute's systems are evaluated, maintained and upgraded continuously.

(c) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to the extent of monitoring controls applied by the Institute.

(d) Reputation risk

The risk of loss of reputation arising from the negative publicity relating to the Institute's operations (whether true or false) may result in a reduction of its donors, reduction in revenue and legal cases against the Institute. The Institute applies procedures to minimise this risk.

3.3 Fair value estimation

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
31 DECEMBER 2009
(Continued)

4. Accumulated Fund	2009	2008
Balance brought forward	263,921	290,899
Net surplus/(deficit) for the year	<u>9,365</u>	<u>(26,978)</u>
Balance carried forward	<u><u>\$273,286</u></u>	<u><u>\$263,921</u></u>

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

ADDITIONAL INFORMATION

	YEAR ENDED 31 DECEMBER	
	2009	2008
Consultancy income		
Montserrat consultancy income	-	12,239
Other consultancy income	<u>1,842</u>	<u>6,898</u>
	<u>\$ 1,842</u>	<u>\$ 19,137</u>
Project income		
Anti-corruption forum	8,755	-
Capacity building project income	20,000	-
Construction sector enquiry project income	52,190	-
Extractive industry transparency initiative	26,505	-
Inter-American convention against corruption	30,763	-
Prevention of corruption in construction project	20,690	-
Other	-	4,000
TI Secretariat	<u>25,327</u>	<u>-</u>
	<u>\$ 184,230</u>	<u>\$ 4,000</u>
Administration expenses		
Administrative expenses	8,500	30,782
Annual general meeting expenses	2,277	2,564
Audit and accounting fees	11,655	14,720
Bad debts	-	32,475
Insurance	530	663
Legal and professional fees	6,946	3,212
Miscellaneous	2,933	2,159
Office expenses	7,715	9,175
Rent	64,094	53,111
Repairs and maintenance	5,930	-
Salaries and related costs	32,048	-
Telephone and internet	13,684	7,803
Travel	<u>16,980</u>	<u>(18,284)</u>
	<u>\$ 173,292</u>	<u>\$ 138,380</u>

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

ADDITIONAL INFORMATION
(Continued)

	YEAR ENDED 31 DECEMBER	
	2009	2008
Finance costs		
Bank charges	1,236	749
Penalty and interest	<u>9,500</u>	<u>-</u>
	<u>\$ 10,736</u>	<u>\$ 749</u>
Project costs		
Anti-corruption project expenses	-	12,660
Capacity building project expenses	118,878	35,205
Construction sector enquiry project expenses	60,402	-
Extractive industry transparency initiative project expenses	29,200	-
Inter-American convention against corruption project expenses	22,000	-
Prevention of corruption in construction project expenses	12,133	-
TI Secretariat	<u>16,807</u>	<u>-</u>
	<u>\$ 259,420</u>	<u>\$ 47,865</u>