

# **Trinidad and Tobago Transparency Institute**

Financial Statements

31 December 2011

***Brian Fletcher & Co***  
***Chartered Accountants***

# **Trinidad and Tobago Transparency Institute**

## **Financial Statements for the year ended 31 December 2011**

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**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 2011 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 the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs), and for such internal control relevant as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

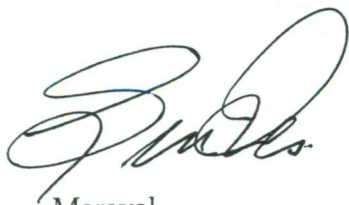
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 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.

**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 2011, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs).



Maraval  
TRINIDAD  
19 April 2012

# Trinidad and Tobago Transparency Institute

## Statement of Financial Position

As at 31 December 2011


	Notes	2011	2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	<u>36,805</u> <u>36,805</u>	<u>10,071</u> <u>10,071</u>
<b>Current assets</b>			
Sundry debtors and prepayments		121,919	44,598
Income fund investment		320,312	316,621
Cash at bank		<u>108,369</u> <u>550,600</u>	<u>365,485</u> <u>726,704</u>
<b>Total Assets</b>		<u>\$587,405</u> <u>=====</u>	<u>\$736,775</u> <u>=====</u>
<b>ACCUMULATED FUND AND LIABILITIES</b>			
<b>Accumulated Fund</b>			
Accumulated fund	5	<u>301,116</u> <u>301,116</u>	<u>296,234</u> <u>296,234</u>
<b>Current liabilities</b>			
Sundry creditors and accruals		16,304	17,858
Payments in advance		269,185	421,180
Taxation payable		<u>800</u> <u>286,289</u>	<u>1,503</u> <u>440,541</u>
<b>Total Accumulated Fund and Liabilities</b>		<u>\$587,405</u> <u>=====</u>	<u>\$736,775</u> <u>=====</u>

The accompanying notes on pages 6 to 12 form an integral part of these financial statements.

On 19 April 2012 the Board of Directors authorised these financial statements for issue.



:Director



:Director

# Trinidad and Tobago Transparency Institute

## Statement of Comprehensive Income for the year ended 31 December 2011

	Notes	2011	2010
<b>Revenue</b>			
Consultancy income	6	151,507	-
Donations	7	61,050	11,926
Interest income		8,692	8,748
Members subscriptions		129,600	144,500
Project income	8	428,900	403,341
Rental income		-	12,000
		<u>779,749</u>	<u>580,515</u>
<b>Expenses</b>			
Administration	9	( 273,221)	( 242,364)
Finance costs	10	( 2,128)	( 1,067)
Project costs	11	( 498,737)	( 313,555)
		<u>( 774,086)</u>	<u>( 556,986)</u>
<b>Surplus for the year before taxation</b>		5,663	23,529
<b>Taxation – Green fund levy</b>		<u>( 781)</u>	<u>( 581)</u>
<b>Net surplus</b>		<u>\$ 4,882</u>	<u>\$ 22,948</u>

The accompanying notes on pages 6 to 12 form an integral part of these financial statements.



# Trinidad and Tobago Transparency Institute

## Statement of Cash Flows for the year ended 31 December 2011

	Note	2011	2010
<b>Cash flows from operating activities</b>			
Net surplus for the year		4,882	22,948
Adjustments for non-cash income and expenses:			
Non-cash income tax		( 703)	581
Depreciation of property, plant and equipment		3,856	1,457
Changes in operating assets and liabilities			
Increase in sundry debtors and prepayments		( 77,321)	( 6,834)
Decrease in sundry creditors and accruals		( 1,554)	( 4,033)
(Decrease)/increase in payments in advance		(151,995)	81,516
<b>Net cash (used in)/from operating activities</b>		<u>(222,835)</u>	<u>95,635</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		( 30,590)	( 11,528)
<b>Net cash used in investing activities</b>		<u>( 30,590)</u>	<u>( 11,528)</u>
<b>Net (decrease)/increase in cash for the year</b>		(253,425)	84,107
<b>Cash and cash equivalents at beginning of year</b>		<u>682,106</u>	<u>597,999</u>
<b>Cash and cash equivalents at end of year</b>	12	<u>\$ 428,681</u> =====	<u>\$ 682,106</u> =====

The accompanying notes on pages 6 to 12 form an integral part of these financial statements.

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements for the year ended 31 December 2011

### 1. Incorporation And Principal Objects

The Institute was incorporated in the Republic of Trinidad and Tobago on 1<sup>st</sup> February 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

The financial statements have been prepared by the Institute in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board.

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 on the historical cost basis. The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Institute's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 2.2.

#### 2.2 Property, plant and equipment

Property, 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. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.



# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements for the year ended 31 December 2011 (continued)

### 2. Significant accounting policies (continued)

#### 2.2 Property, plant and equipment (continued)

Depreciation is provided on 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, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at each statement of financial position date.

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 carrying amount and are included in the statement of comprehensive income.

#### 2.3 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.

#### 2.4 Sundry debtors and prepayments

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 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 within administration expenses.



# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements for the year ended 31 December 2011 (continued)

### 2. Significant accounting policies (continued)

#### 2.5 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with bank and funds held in an Income Fund.

#### 2.6 Sundry creditors and accruals

Liabilities for 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.

#### 2.7 Taxation

In accordance with the provision of section 6 (1) (g) of the Corporation Tax Act, Chapter 75: 02; the Institute is a registered non-profit organisation and is exempt from the payment of corporation tax.

#### 2.8 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.

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements for the year ended 31 December 2011 (continued)

### 2. Significant accounting policies (continued)

#### 2.9 Foreign currency translation

##### (a) Functional and presentation currency

Items found 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”). These financial statements are presented in Trinidad and Tobago dollars (TTD) which is the Institute’s functional and presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional 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.

#### 2.10 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.

### 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 for the year ended 31 December 2011 (continued)

### 4. Property, Plant And Equipment

	Furniture and Fittings	Computer Equipment	Office Equipment	Total
<b>Year ended 31 December 2011</b>				
Opening net book value	-	7,509	2,562	10,071
Additions	30,590	-	-	30,590
Depreciation	( 1,338)	( 1,877)	( 641)	( 3,856)
Closing net book value	<u>\$ 29,252</u>	<u>\$ 5,632</u>	<u>\$ 1,921</u>	<u>\$ 36,805</u>
<b>At 31 December 2011</b>				
Cost	30,590	8,528	3,000	42,118
Accumulated depreciation	( 1,338)	( 2,896)	( 1,079)	( 5,313)
Net book value	<u>\$ 29,252</u>	<u>\$ 5,632</u>	<u>\$ 1,921</u>	<u>\$ 36,805</u>
<b>Year ended 31 December 2010</b>				
Additions	-	8,528	3,000	11,528
Depreciation	-	( 1,019)	( 438)	( 1,457)
Closing net book value	<u>\$ -</u>	<u>\$ 7,509</u>	<u>\$ 2,562</u>	<u>\$ 10,071</u>
<b>At 31 December 2010</b>				
Cost	-	8,528	3,000	11,528
Accumulated depreciation	-	( 1,019)	( 438)	( 1,457)
Net book value	<u>\$ -</u>	<u>\$ 7,509</u>	<u>\$ 2,562</u>	<u>\$ 10,071</u>



# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements

for the year ended 31 December 2011 (continued)

<b>5. Accumulated Fund</b>	<b>2011</b>	<b>2010</b>
Balance brought forward	296,234	273,286
Net surplus for the year	<u>4,882</u>	<u>22,948</u>
Balance carried forward	\$301,116	\$296,234
	=====	=====
<b>6. Consultancy Income</b>	<b>2011</b>	<b>2010</b>
Inter-American Investment Corporation	<u>151,507</u>	<u>-</u>
	\$151,507	\$ -
	=====	=====
<b>7. Donation Income</b>	<b>2011</b>	<b>2010</b>
Bermudez Group Limited	60,000	6,419
Others	<u>1,050</u>	<u>5,507</u>
	\$ 61,050	\$ 11,926
	=====	=====
<b>8. Project Income</b>	<b>2011</b>	<b>2010</b>
British High Commission	-	10,010
Commonwealth Foundation	24,647	123,552
JB Fernandes Memorial Trust 1	257,372	221,797
The Partnership for Transparency Fund	-	21,700
Transparency International Secretariat	61,010	26,282
European Union	<u>85,871</u>	<u>-</u>
	\$428,900	\$403,341
	=====	=====
<b>9. Administration Expenses</b>	<b>2011</b>	<b>2010</b>
Advertising	1,208	-
Annual general meeting expenses	1,970	4,784
Audit and accounting fees	15,775	11,000
Bad debts	21,700	12,400
Depreciation	3,856	1,457
Electricity	4,572	-
Insurance	398	530
Legal and professional fees	6,959	7,017
Miscellaneous	1,380	2,667
Office expenses	14,487	10,421
Rent	95,843	86,625
Repairs and maintenance	4,801	1,057
Salaries and related costs	77,155	78,630
Telephone and internet	20,343	22,498
Travel	<u>2,774</u>	<u>3,278</u>
	\$273,221	\$242,364
	=====	=====

# Trinidad and Tobago Transparency Institute

## Notes to the Financial Statements for the year ended 31 December 2011 (continued)

<b>10. Finance Costs</b>	<b>2011</b>	<b>2010</b>
Bank charges	533	1,067
Loss on foreign exchange	<u>1,595</u>	<u>-</u>
	<b>\$ 2,128</b>	<b>\$ 1,067</b>
	<b>=====</b>	<b>=====</b>
<b>11. Project Costs</b>	<b>2011</b>	<b>2010</b>
Capacity building	189,949	108,651
Construction Sector Enquiry	-	8,908
Business Ethics Programme	151,507	-
Anti Corruption Conference 2011	87,470	-
Civil Society Toolkit	1,887	18,405
Regional Outreach Programme	67,924	96,869
Youth Integrity Survey	-	25,412
Youth Arm	-	11,792
United Nations Convention Against Corruption Gap Analysis	-	10,688
Global Corruption Report Launch	<u>-</u>	<u>32,830</u>
	<b>\$498,737</b>	<b>\$313,555</b>
	<b>=====</b>	<b>=====</b>
<b>12. Cash And Cash Equivalents</b>	<b>2011</b>	<b>2010</b>
Cash at bank	108,369	365,485
Income fund investment – UTC	<u>320,312</u>	<u>316,621</u>
	<b>\$428,681</b>	<b>\$682,106</b>
	<b>=====</b>	<b>=====</b>