



Trinidad and Tobago Transparency Institute

Audited Financial Statements

For the year ended December 31, 2018



Trinidad and Tobago Transparency Institute

Audited Financial Statements

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

	<u>Table of Contents</u>	Page(s)
Independent Auditor's Report		2-3
Statement of financial position		4
Statement of comprehensive income and accumulated fund		5
Statement of cash flows		6
Notes to the financial statements		7-14

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, 2018 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, 2018, 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.

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November 13, 2019

Port of Spain,
Trinidad, West Indies

Trinidad and Tobago Transparency Institute

Statement of Financial Position

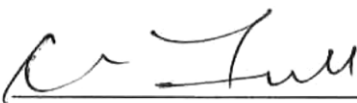
As at December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

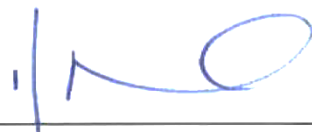
	Notes	2018	2017
Assets			
Non-current assets			
Plant and equipment	4	39,553	49,628
Total non-current assets		39,553	49,628
Current assets			
Members' subscriptions receivable	5	57,950	48,700
Sundry debtors		118,386	-
Cash and cash equivalents	6	1,421,244	1,060,458
Total current assets		1,597,580	1,109,158
Total assets		\$1,637,133	\$1,158,786
Accumulated fund			
Accumulated fund		915,069	826,024
Total accumulated fund		915,069	826,024
Liabilities			
Non-current liability			
Deferred tax liability	7	5,005	-
Total non-current liability		5,005	-
Current liabilities			
Sundry creditors and accruals		33,581	24,589
Deferred income	8	635,171	305,008
Taxation payable		48,307	3,165
Total current liabilities		717,059	332,762
Total liabilities		722,064	332,762
Total accumulated fund and liabilities		\$1,637,133	\$1,158,786

See accompanying notes to the financial statements.

On November 13, 2019, 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, 2018

(Expressed in Trinidad and Tobago Dollars)

	Notes	2018	2017
Revenue			
Project and other income	9	1,217,219	1,903,753
Members subscriptions		120,600	131,950
Donations	10	640	1,835
Total revenue		1,338,459	2,037,538
Expenses			
Administrative expenses	11	(1,189,665)	(770,659)
Project costs	13	(5,548)	(827,173)
Total expenses		(1,195,213)	(1,597,832)
Surplus before taxation		143,246	439,706
Taxation	14	(54,201)	(3,989)
Total comprehensive income for the year		\$89,045	\$435,717
Accumulated fund as at beginning of the year		826,024	390,307
Accumulated fund as at end of the year		\$915,069	\$826,024

See accompanying notes to the financial statements.

Trinidad and Tobago Transparency Institute

Statement of Cash Flows

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

	2018	2017
Cash flows from operating activities		
Surplus before taxation	143,246	439,706
Adjustments to reconcile surplus to net cash from operating activities:		
Depreciation	10,075	5,638
	153,321	445,344
Changes in operating assets/liabilities:		
Increase in members subscriptions receivable	(9,250)	(13,300)
Increase in sundry debtors	(118,386)	-
Increase/(decrease) in sundry creditors and accruals	8,992	(2,100)
Increase in deferred income	330,163	149,278
Cash provided by operations	364,840	579,222
Taxes paid	(4,054)	(3,961)
Net cash provided by operating activities	360,786	575,261
Cash flows from investing activities		
Purchase of plant and equipment	-	(31,730)
Net cash used in investing activities	-	(31,730)
Net increase in cash and cash equivalents	360,786	543,531
Cash and cash equivalents		
As at beginning of year	1,060,458	516,927
As at end of year	\$1,421,244	\$1,060,458

See accompanying notes to the financial statements.

Trinidad and Tobago Transparency Institute

Notes to the Financial Statements

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

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, 2018

(Expressed in Trinidad and Tobago Dollars)

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 and accumulated fund.

2.4 Impairment of non-financial 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 receivable 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, 2018

(Expressed in Trinidad and Tobago Dollars)

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

Taxation expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profits in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

Trinidad and Tobago Transparency Institute

Notes to the Financial Statements

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

2. Significant accounting policies (continued)

2.12 Taxation (continued)

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit and loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Business levy and green fund levy is provided at the statutory rate of 0.6% and 0.3% respectively on gross income for the year. Business levy takes effect only when it exceeds the current corporation tax liability.

For income year 2017, corporation tax is charged at 25% on the first \$1,000,000 of chargeable income and the remainder is taxed at 30%. For income year 2018, this was amended to 30% of all chargeable income.

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.

4. Plant and equipment

	Furniture and fittings	Computer equipment	Office equipment	Total
Cost				
Balance as at January 1, 2018	30,590	36,852	11,509	78,951
Balance as at December 31, 2018	30,590	36,852	11,509	78,951
Accumulated depreciation				
Balance as at January 1, 2018	(15,044)	(10,708)	(3,571)	(29,323)
Depreciation charge for the year	(1,554)	(6,895)	(1,626)	(10,075)
Balance as at December 31, 2018	(16,598)	(17,603)	(5,197)	(39,398)
Net book value as at December 31, 2018	\$13,992	\$19,249	\$6,312	\$39,553

Trinidad and Tobago Transparency Institute

Notes to the Financial Statements

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

4. Plant and equipment (continued)

	Furniture and fittings	Computer equipment	Office equipment	Total
Cost				
Balance as at January 1, 2017	30,590	13,631	3,000	47,221
Additions	-	23,221	8,509	31,730
Balance as at December 31, 2017	30,590	36,852	11,509	78,951
Accumulated depreciation				
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)
Balance as at December 31, 2017	(15,044)	(10,708)	(3,571)	(29,323)
Net book value as at December 31, 2017	\$15,546	\$26,144	\$7,938	\$49,628

5. Members' subscriptions receivable

	2018	2017
Members' subscriptions receivable	76,650	59,900
Provision for bad debts	(18,700)	(11,200)
	\$57,950	\$48,700

6. Cash and cash equivalents

	2018	2017
Cash at bank	1,314,659	955,181
UTC Income fund investment	106,085	104,777
Cash in hand	500	500
	\$1,421,244	\$1,060,458

7. Deferred tax liability

	2018	2017
Balance as at beginning of year	-	-
Charge to statement of comprehensive income	5,005	-
Balance as at end of year	\$5,005	\$-

The deferred tax liability in the statement of financial position is attributable to unused tax losses, which are carried forward to future years.

Trinidad and Tobago Transparency Institute

Notes to the Financial Statements

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

8. Deferred Income

	2018	2017
Trinidad and Tobago Extractive Industries Transparency Initiative Project	479,432	-
Atlantic LNG	105,385	105,385
TI Impact Funding	32,579	179,623
NH International (Caribbean) Limited	15,275	-
Integrity Club	-	20,000
Members subscriptions	2,500	-
	\$635,171	\$305,008

9. Project and other income

	2018	2017
IClub and Impact project	1,125,587	-
TI Impact Funding	45,271	682,025
Trinidad and Tobago Extractive Industries Transparency Initiative	41,951	619,809
Anti Corruption Conference	3,000	264,915
First Citizens Bank	-	150,000
Atlantic Project	-	147,115
Anti Corruption Day	-	38,350
Other project income	1,410	1,539
	\$1,217,219	\$1,903,753

10. Donations

	2018	2017
Others	640	1,835
	\$640	\$1,835

Trinidad and Tobago Transparency Institute

Notes to the Financial Statements

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

11. Administrative expenses

	2018	2017
Staff costs (Note 12)	470,052	333,193
Consultancy fees	213,711	12,855
International travel	85,049	64,100
Legal and professional fees	69,785	15,763
Rent	64,800	70,200
Advertising	60,914	40,744
Venue and catering	53,735	23,765
Local travel	40,521	10,315
Audit and accounting fees	22,950	23,900
Videotaping/photography	18,963	21,643
Telephone and internet	18,678	21,388
Printing and stationery	16,224	8,121
Website expenses	12,633	14,400
Office expenses	11,888	2,904
Depreciation	10,075	5,638
Bad debts	7,500	77,500
Electricity	5,155	4,934
Meeting expenses	1,928	13,858
Bank charges	1,672	1,295
Repairs and maintenance	207	207
Miscellaneous expenses	3,225	3,936
	\$1,189,665	\$770,659

12. Staff costs

	2018	2017
Salaries and wages	433,301	310,821
NIS contributions	36,751	22,372
	\$470,052	\$333,193
Number of employees	3	3

13. Project costs

	2018	2017
Anti Corruption Conference	5,548	170,309
Trinidad and Tobago Extractive Industries Transparency Initiative	-	559,749
Atlantic project	-	97,115
	\$5,548	\$827,173

14. Taxation

	2018	2017
Corporation tax	43,097	-
Green fund levy	4,015	3,989
Deferred tax charge (Note 7)	5,005	-
Prior year under provision	2,084	-
	\$54,201	\$3,989

Trinidad and Tobago Transparency Institute

Notes to the Financial Statements

For the year ended December 31, 2018

(Expressed in Trinidad and Tobago Dollars)

14. Taxation (continued)

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

	2018	2017
Accounting profit	143,246	439,706
Tax at applicable tax rate	42,974	109,927
Non deductible expenses	3,022	399,458
Non taxable income	(2,899)	(509,385)
Green fund levy	4,015	3,989
Deferred tax charge	5,005	-
Prior year under provision	2,084	-
	\$54,201	\$3,989

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:

	2018	2017
Key management compensation		
Short-term benefits	\$-	\$-

16. Subsequent events

The Institute has evaluated subsequent events from January 1, 2019 through to November 13, 2019, 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.