



# 2016 annual report

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## Our Vision



To be the leading non-profit professional membership organization serving directors and investors in the region individually and collectively, bringing about effective organizations and efficient markets in the Caribbean.

## Our Mission



To promote world class transparency and competitiveness for companies in the 20 CARICOM countries through the promotion of leading corporate governance practices, education programmes, corporate governance guidelines, networking, linkages with regional and international bodies, and by providing counselling on corporate governance and related matters.

## Our Purpose

The Caribbean Corporate Governance Institute (“the Institute”) is a not for profit entity duly incorporated in 2012 under and by virtue of the provisions of the Companies Act Chapter 81:01 of the Laws of the Republic of Trinidad and Tobago.

Our objective is to be a part of a regional solution oriented ecosystem that encourages and promotes Corporate Governance Best Practice in the Caribbean.

To this end, the Institute focuses on four (4) main streams of work:

1. Standards and Guides that are regionally applicable
2. Advocacy
3. Professional Development
4. Membership

## Standards and Guides

The Institute co-authored the Trinidad and Tobago Corporate Governance Code (“the Code”) in 2013 with the Trinidad & Tobago Chamber of Industry and Commerce and the Trinidad & Tobago Stock Exchange while also acting as the Secretariat for the Code.

The Code can be used as a best practice for entities with public accountability that wish to improve their corporate governance framework on a voluntary basis. It is also used by tertiary education

institutions in Trinidad and Tobago as reference material for their corporate governance programmes. The Code can be accessed freely on our website.

## Advocacy

The Institute empowers its members and interested corporate governance stakeholders with the knowledge that supports the case for proper corporate governance. The Institute promotes this knowledge transfer through articles that are published in the national press in Trinidad, Barbados and Jamaica from time to time.

## Professional Development

The Institute aspires to enhance the professional standard in all boardrooms in the Caribbean through executive education and professional programmes.

In 2014, the Institute launched the Certificate in Corporate Governance in Trinidad followed by Barbados in 2015. The Diploma in Corporate Governance was launched in Trinidad within 2016.

We enlist internationally recognised faculty members who are experts in the field to deliver our programmes with regionally applicable content. This allows our clientele to gain access the resources that would have been ordinarily inaccessible. Regional experts are also enlisted to ensure content is not only practical but relevant. The objective is to provide current and aspiring regional leaders with an

authoritative forum to enhance their Corporate Governance skillset in order to transform their organizations using good governance. This will enable better decision making in governance and investments.

### Membership

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There is strength in numbers. This cannot be more applicable to the cause of promoting good corporate governance. The Institute seeks to foster a regional governance movement through the creation of opportunities where our membership can network, gain access to resources and mingle with like-minded professionals.

These opportunities include mixers and seminars on governance where perspectives are shared.

### How are we funded

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Our membership fees and streams of business allow the Institute to operate as an autonomous, self-funded independent body that has no political or business affiliations.

The Institute is not controlled by any governmental, business or commercial body. This is critical to the Institute in order to maintain its independence and its values in fearlessly advancing the cause of good corporate governance within the Caribbean.

## Corporate Information

### Chairman

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Ronnie Bissessar

### Directors

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Leslie Clarke  
Clarence Faulkner  
Vincent Hippolyte  
Fé Lopez-Collymore  
Arnold Niranjana  
Marlon Yarde  
Jacqueline Quamina  
Rani Lakhana-Narace  
Nigel Romano

### Chief Executive Officer

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Denise Deonarine

### Corporate Secretary

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Karen Kelshall-Lee

### Registered Office

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First Floor Chamber Building  
Columbus Circle  
Westmoorings

### Auditors

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#### **BakerTilly, Montano, Ramcharitar**

Mecalfab House  
92 Queen Street  
Port of Spain  
Trinidad & Tobago

### Bankers

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#### **Scotiabank Trinidad and Tobago Limited**

Ellerslie Plaza  
Maraval  
Trinidad & Tobago

#### **CIBC FirstCaribbean International Bank**

74 Long Circular Road  
Maraval  
Trinidad & Tobago

## Board of Directors

### Ronnie Bissessar | *Chairman*

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Ronnie Bissessar is a commercial attorney at law in his own Chambers; a certified Mediator, Ronnie is a graduate of the University of the West Indies and the University of London and was called to the Bar of England and Wales where he is a member of Lincoln's Inn. Ronnie has served as a director at TSTT and was Chairman of SWRHA; he is the President of the Trinidad and Tobago Heart Foundation and Secretary of the Trinidad and Tobago Legal Network.

Ronnie is a Rotarian and Past President of the Rotary Club of San Fernando South and the holder of a Paul Harris Fellow; he is a Senior Ordinary Member of the Council of the Law Association and served as Vice President of the Assembly of Southern Lawyers. Ronnie is a Lecturer in Corporate Practice and Procedure at the Hugh Wooding Law School and the Arthur Lok Jack Graduate School of Business and has presently scholarly papers in regional fora; he is also an External Examiner for corporate governance courses at the University of the West Indies.

Ronnie has a public law practice specialising in public law (judicial review, administrative and constitutional matters) and commercial law and he has represented the Republic of Trinidad and Tobago in contentious proceedings involving the Caricom Commission at the Caribbean Court of Justice.

### Leslie Clarke | *Director*

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Leslie is a co-founder of the investment firm Murphy Clarke Financial where he also serves as the Managing Director. A graduate of St. Mary's University in Nova Scotia Canada, Leslie has held senior positions within Trinidad & Tobago's Financial Sector, including Scotiatrust and Merchant Bank, RBC Royal Bank (formerly RBTT) and Sagicor Merchant Limited.

Leslie has worked on various pension and segregated plans, including multinationals, Investment Committees and Non Governmental Organizations. Leslie and his team have designed asset allocation models and alternative investment strategies that have proven successful since the financial crisis of 2008.

### Clarence Faulkner, B.Comm, MBA (Hons.) | *Director*

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Clarence Faulkner is the Founder and Managing Director of PMI Group of companies providing Consultancy, Management and Administrative services to private and public Pension Plans. He has worked in the Pension and Investment arena for over 18 years.

In addition Mr. Faulkner is currently the Chairman of the Board of Directors of the National Bank of the Virgin Islands and a Member of the Governments' National Economic Advisory Council.

Mr. Faulkner also served as the former Investment Manager of the BVI Social Security Board which involved the establishment of

investment policies and strategies and performing due diligence on key services providers to achieve the stated objectives.

Clarence is the former Vice-Chairman of the International Social Security Association (ISSA) Technical Commission on Investments, the former Chairman of a Working Group of the CARICOM Regional Social Security Systems to develop a MOU for pooling resources for investment outside of the Caribbean Region and the recipient of the 2011 Atlantic Connection “Pathfinder Award” for his “Contribution to Global Fiduciary Education and Fiscal Responsibility”.

#### Vincent Hippolyte | *Director*

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Vincent Hippolyte is the CEO of the Water and Sewerage Company (WASCO) in St. Lucia. He currently serves as the Chairman of the Board of the Financial Services Regulatory Authority in St. Lucia as well as a Director on the Vieilles Ville Development Company. Vincent holds a B.Sc. in Management Studies from the University of the West Indies and an Msc in Port and Shipping Administration from the World Maritime University in Sweden. He has worked all over the Eastern Caribbean.

#### Rani Lakhan-Narace | *Director*

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Rani Lakhan-Narace has contributed to the growth and development of organizations in both the retail and financial services sectors and has served on several Boards including many community

organizations. Rani is the Executive Chairman of TRINRE. She has served as the President of the Association of Trinidad and Tobago Insurance Companies (ATTIC) and has also been a member of the Board of the Insurance Association of the Caribbean (IAC). She received both an Executive Masters’ Degree in Business Administration and a Post MBA Certificate from the Arthur Lok Jack Graduate School of Business, UWI, and holds a Bachelor’s Degree in Social Sciences with a major in Economics from the University of Western Ontario, Canada. She is presently an advisor to the Board of SHIFT!Caribbean, an NGO that is committed to just and lasting change through transformational programmes for sustainable social impact.

#### Fé Lopez-Collymore | *Director*

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Fé Lopez-Collymore is the General Counsel and Corporate Secretary of the GHL Group based in Trinidad and Tobago. Admitted to practice as an attorney-at-law of the Supreme Court of Judicature of Trinidad and Tobago since 1981, she oversees the provision of corporate secretarial and legal services to the Group in addition to her function as Corporate Secretary. She is a member of the GHL Executive Board and lectures on Corporate Governance.

#### Dr. Arnold Niranjana | *Director*

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Arnold is the leader of Ernst & Young Caribbean’s Advisory Services practice with responsibility for the provision of services to clients across the region.

Arnold has direct experience in corporate governance restructuring, company operations appraisal, institutionalizing processes and procedures, operations and internal auditing, process improvement and corporate strategic planning.

Arnold has conducted engagements for Ernst & Young in a number of countries in English speaking Caribbean on a variety of engagements involving multinational organizations, government and regional entities.

#### *Jacqueline Quamina | Director*

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Mrs. Jacqueline H. C. Quamina, LL.B, MA, MBA, serves as Corporate Secretary and Group General Counsel of Republic Bank Limited. Mrs. Quamina is experienced in areas of Banking, Finance and Corporate Law in the Caribbean.

She serves as a Director of Barbados National Bank Inc. and East Caribbean Financial Holding Co. Ltd. Mrs. Quamina has been a Non-Executive Director of Unilever Caribbean Limited since May 22, 2009.

Mrs. Quamina also serves as a director of Republic Securities Limited, Eastern Caribbean Financial Holdings Limited, Barbados National Bank Limited the Trinidad and Tobago Chamber of Industry and Commerce and Bishop Anstey Junior School.

An attorney at law with over twenty five years' experience, Mrs. Quamina received her Bachelor of Laws from the University of the

West Indies and was called to the Bar of England and Wales where she is a member of Grays Inn. Mrs. Quamina holds an Executive MBA from the University of the West Indies, is a graduate of the American Bankers Association Stonier Graduate School of Banking and of the Harvard Business School Advanced Management Programme.

#### *Nigel Romano | Director*

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Nigel is a Chartered Accountant with extensive experience in public accounting and banking across the globe. He holds a B.Sc., M.Sc., C.A., BSP. He started his career with KPMG where he spent nine years in public accounting. Nigel then joined Citibank in June 1988 as CFO in Trinidad & Tobago and left six years later to join E&Y as Tax and Corporate Finance Partner.

Nigel has been based in Indonesia, Asia and Singapore. In November 2006 he assumed the role of head of Citi's Asia Pacific shared services organization (Citi Business Services), responsible for 19 countries, based in the Philippines.

In October 2008 Nigel returned to the finance function in the role of Country CFO and O&T Head for Citi's businesses in the Philippines where the bank employs over 5,000 staff and generates over US\$400M in revenues per annum from an expense base of approximately US\$200MM.

Nigel is presently Managing Director and Chief Executive Officer of JMMB and Chairman of National Flour Mills Ltd.

### Marlon Yarde | *Director*

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Mr. Yarde has been the General Manager and Corporate Secretary of the Barbados Stock Exchange Inc. (BSE) and the Barbados Central Securities Depository Inc. (BCSDI) since November 1, 2003 and Chief Executive Officer and General Manager since January 1, 2007.

An Accountant by profession, with over twenty-five years' experience he is a member of the Certified General Accountants Association of Canada and the Caribbean (June 1995), as well as a member of the Institute of Chartered Accountants of Barbados (May 1996).

He became a Fellow of the Institute of Chartered Accountants of Barbados in October 2006. He became a Fellow of the Certified General Accountants Association of Canada in June 2009 in recognition of the invaluable contributions made not only to the CGA Association but to the community at large.

Mr. Yarde holds a Bachelors of Law (LL.B (Hons.)) from the University of Huddersfield in the UK (2010). He also holds a Masters of Law (LL.M) specializing in Securities Law from Osgoode Hall Law School of York University, Toronto, Canada (2013).

### Denise Deonarine | *Chief Executive Officer*

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Denise brings with her over fourteen years of experience in the business development, marketing and legal support services arena to the Caribbean Corporate Governance Institute.

Denise has worked with two leading multinational entities successfully managing sales development for a multimillion dollar portfolio while bringing innovative solutions to the market. Denise is an alumnus of the University of London holding a B.Sc. Management (Hons.).

## Chairman's Note

### A message from the Chairman

On behalf of the Caribbean Corporate Governance Institute (“the Institute”) I am pleased to make this statement to our Members for the year ended 2016. The Institute was incorporated as a not for profit Foundation in 2012 with its principal objective being to promote corporate governance best practices throughout the English speaking Caribbean.

In November 2013 in partnership with the Trinidad and Tobago Chamber of Industry and Commerce and the Trinidad and Tobago Stock Exchange, the Institute co-authored the Trinidad and Tobago Corporate Governance Code which encourages best practices for companies with public accountability.

The Unit Trust Corporation of Trinidad and Tobago, in launching its new integrated financial reporting model has endorsed the Code and the UTT's intention to comply with the Code's financial disclosure requirements makes the UTT the first major financial institution in the Caribbean to be Code-compliant. Bob Tricker who is an internationally respected author in his most recent edition of Corporate Governance – Principles, Policies and Practices has expressly referred to the Code.

Public endorsement of the Code is consistent with the Institute's first pillar of service which is to develop standards and guides which are appropriate for the diverse economies in the Caribbean which are

not wedded to the institutional norms of the European or American models. In 2016 the Institute continued to encourage public and progressive private companies to adopt the Code.

The development of standards and guides continued apace in 2016 this time in relation to a similar Code for State Enterprises. On June 27, 2016, the Institute collaborated with the United States Embassy to host a round-table discussion for state owned enterprises. It was later contemplated that a Working Group will be convened by the Institute to develop a Code for State Enterprises. This remains a work in progress. In 2016, notwithstanding various organisational challenges, the Institute offered a series of professional development certificate and diploma programmes consistent with the Institute's second pillar of service, namely, promoting corporate governance best practices through its education model.

The Institute therefore launched the Diploma in Corporate Governance in Trinidad and Tobago in 2016 following the launch of our Certificate Programmes in Trinidad and Tobago and in Barbados in 2014 and 2015 respectively. The Institute, in developing its education models, has not been immune to the financial challenges in the present declining Caribbean economies where corporate belt-tightening means that corporate governance seminars and certificate and diploma courses providing training to directors and senior officers are usually first on the corporate chopping block.

This is an unfortunate irony since a certified director and officer is better equipped than most to steer a beleaguered company through these cyclical financial challenges.

Accordingly, the Institute in 2016 adjusted its courses and programmes to make its education model more relevant to the contemporary Caribbean corporate architecture; in 2016 we also offered twenty-one (21) programmes and events which represented an increase over 2015. Moreover, the Institute also maintained its registration as a post-secondary and tertiary institution with the Accreditation Council of Trinidad and Tobago (ACTT).

The Institute in 2016 also decided to supplement its international panel of faculty introducing local presenters who could speak authoritatively to indigenous content and case studies. Further, a decision was taken in late 2016 to revamp our certificate and diploma courses' content to make them more practical with a focus on Caribbean case law. This is in the context that our Caribbean companies' legislation, which has its provenance in the Canadian Business Corporation Act, over the past 20 years of gestation, has created an evolving jurisprudence which must be integrated in the statutory provisions.

The Institute for the financial year ended December 31st, 2016 also recorded a net albeit small surplus of TT\$7,918.00. During 2016, the Institute relocated its offices to its present location at the Trinidad and Tobago Chamber of Industry and Commerce's building in Westmoorings. We are reminded that the Institute is a members' organisation and at the end of 2016 we had 163 members which included 42 new members and some of the membership programmes which we started in 2015 continued with our priority being to increase members' networking in our various seminars, mixers and forums.

The Caribbean, consistent with international trends, in 2016, increased its regulatory protocols for public and private companies through FATCA, anti-money laundering legislation and prevention of terrorism financing; procurement legislation is now de rigueur and we are anticipating that legislation relating to lobbying and political financing are on the drawing boards. These trends provide an opportunity for the Institute, within the next three (3) years, to become the authoritative voice of corporate governance regionally and the repository of updated statistics and financial data to determine and analyse financial trends and governance practices.

This is in the context that the Institute's twin pillars relating to the development of standards and guides and its education model are increasingly becoming circumscribed by external events and competition respectively so that in order to maintain its contemporary relevance, the Institute has to reinvent itself.

The reinvention discussions have already started and for those purposes I wish to pay tribute to our directors who continue to provide services pro bono to the Institute and, in particular, our outgoing director Mr. Clarence Faulkner; our directors' continuing engagement makes for stimulating board meetings. It has been an honour to serve the Institute, its members, executive and directors and I thank you for the opportunity.

**Mr. Ronnie Bissessar**

*Chair*

*Caribbean Corporate Governance Institute*

## Chief Executive Officer's Discussion and Analysis

It was a pleasure to be a part of the team in 2016 having assumed the role of Chief Executive Officer on November 2, 2015. In 2016, the Institute continued its relentless pursuit of being an active member of a solution based ecosystem by fostering improved corporate governance within the Caribbean region.

This year, the Institute continued to focus on enhancing the value organisational leaders bring to their respective organisations through our professional development suite of programmes. This included the Certificate in Corporate Governance that was launched in 2014 in Trinidad followed by Barbados in 2015.

The Institute was delighted to launch the Diploma in Corporate Governance in Trinidad within 2016. A total of twenty one (21) events were executed in 2016 that included the modules of the Certificate and Diploma in Corporate Governance. Several new events were successfully developed and launched this year.

The Institute also had the pleasure of collaborating with the Embassy of the United States of America on June 27, 2016 to host our first roundtable for members of State Owned Enterprises. Our very first corporate governance forum was also held on June 30, 2016 for organisational leaders of State Owned Enterprises.

Membership continues to be a fundamental component of the organisation. Our members were invited to attend all events that included our corporate governance mixers that were hosted in

Trinidad and Barbados. In 2016, we had the pleasure of welcoming new individual members within our regional corporate governance community and organisational members that included Scotiabank (Trinidad and Tobago) Limited. The Institute continued to operate with a lean headcount in 2016 with two members of full time staff. In 2015 we opted to outsource the role of the Marketing and Membership Coordinator to a contracted resource in Jamaica. Development of the educational programme, accounting services and faculty members continued on varying contractual basis.

The Institute also continued to utilize applicable software to support the work of the operations team. Our internship programme was launched this year and provided a rewarding mentorship opportunity.

## Financial Performance

The financial stability and growth of the Institute was a focal point for the Chief Executive Officer in 2016. The Institute recorded a net surplus of TTD \$7,918 for the financial year ended December 31, 2016, a thirty five percent (35%) decrease from 2015 or Four Thousand, Two Hundred and Fourteen TT Dollars (TTD \$4,412.00).

### Review of Revenue

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Notwithstanding the economic recession in the key markets in which the Institute operates, several positive strides were made financially.

- **Increase in Income in 2016**

Income of the Institute increased by Two Percent (2%) over the year prior or by Thirty One Thousand, Eight Hundred and Eighty Seven Dollars (TTD \$31, 887.00).

This income profile was driven by:

**1. Growth in revenue from membership:** The Institute recorded a thirty percent (30%) increase in revenue of Fifty Five Thousand and Sixty Three TTD Dollars (TTD \$55,063) from this line item. This was derived by attracting new members who support the work of the Institute and maintaining a stable existing membership base that stands behind the Institute.

**2. Event Sponsorship:** The Institute received patronage from several parties during the year through sponsorship which made all of the additional events hosted in 2016 possible.

Consider the following for both years ended December 31:

Income	2016	2015	Change (TTD \$)	Change (%)
Sponsorship Income	117,391	57,724	59,667	103%
Membership Fees	236,261	181,198	55,063	30%
Seminars and Other Income	1,213,757	1,296,600	(82,843)	-6%
	<b>1,567,409</b>	<b>1,535,522</b>	<b>31,887</b>	<b>2%</b>

## Review of Expenses

The expenses of the Institute were prudently managed within the financial period by the Chief Executive Officer. A savings of 3.85% over the event cost in 2015 was achieved. This was made possible by negotiating with vendors and pre-planning to lower hosting costs and airfare charges for all events.

The overheads of the Institute increased minimally by two percent (2%) in 2016 over the year before. The following are noteworthy:

- **Human Capital**

The full annual cost of the human capital in 2015 was not recognised as the Institute was without a CEO from June, 2015. Our new CEO joined the Institute in November, 2015 at a lower cost.

A decision was made to provide a one year full time employment contract effective April 1, 2016 to a former provider of telemarketing services. This expense for the role of Marketing and Projects Officer was classified in 2016 under salaries as opposed to professional fees. The employee received a monthly salary in line with the job description and market conditions.

A vacancy arose in February, 2016 due to the conclusion of outsourced services by the Marketing and Membership

Coordinator who was located in Jamaica. This vacancy remained in 2016 while a candidate of suitable fit resident in Trinidad and Tobago was secured.

There was also a vacancy in July, 2016 upon the conclusion of the contractual services of the Director of Education who was based in the United Kingdom which provided significant savings in 2016. The operational team absorbed these additional responsibilities. The roles are being assessed to restructure the operational resource pool in 2017 that will yield optimal efficiencies.

- **Statutory Deductions and Other Charges**

An increase in bank charges were noted largely due to parties settling invoices via credit cards for convenience purposes.

The increase in income along with the change in profile of permanent staff was correlated to the increase in taxation that was payable in 2016.

- **Elimination of Short Term Debt**

The Institute was also able to successfully eliminate its short term debt profile that accumulated in 2015 by the period ending December 31, 2016.

The non-current assets of the Institute increased as the Institute's head office was required to relocate. After careful consideration of the available options, the Institute took up its new residence at the Chamber of Industry and Commerce's building.

It was truly a pleasure to interact with and serve our members and stakeholders in 2016. I look forward to launching many of our new initiatives in 2017 as we forge ahead to fulfil the objectives of the Institute together.

***Denise Deonarine***  
*Chief Executive Officer*

The audited financial statements of the Institute and the Independent Auditors' Report can be accessed on page 27 for additional details.

## 2016 Activities Calendar

The Institute was pleased to host the following events this year:

Date	Category	Event	Jurisdiction
February 17-18	Education	Certificate in Corporate Governance   Module 3: Strategy and Risk	Barbados
February 22	Education	Diploma in Corporate Governance   Module 1: Leading Strategic Change	Trinidad & Tobago
February 23	Education	Certificate in Corporate Governance   Module 1: Corporate Governance	Trinidad & Tobago
February 23	Education	Certificate in Corporate Governance   Graduation Ceremony	Trinidad & Tobago
March 17-18	Education	Certificate in Corporate Governance   Module 2: The Board	Trinidad & Tobago
April 5-6	Education	Certificate in Corporate Governance   Module 4: Corporate Reporting	Barbados
May 5-6	Education	Certificate in Corporate Governance   Module 3: Strategy and Risk	Trinidad & Tobago
May 13-14	Education	Diploma in Corporate Governance   Module 2: Board Dynamics	Trinidad & Tobago
June 27	Membership Engagement	Round Table: State-Owned Enterprises - Creators of Value?	Trinidad & Tobago
June 30	Membership Engagement	Third Annual Meeting of the Caribbean Corporate Governance Institute	Trinidad & Tobago
June 30	Membership Engagement	Governance Byte: A Way Forward for SOEs Through Better Governance	Trinidad & Tobago
July 8	Education	Diploma in Corporate Governance Examination	Trinidad & Tobago
July 14 -15	Education	Certificate in Corporate Governance   Module 4: Corporate Reporting	Trinidad & Tobago
September 28	Education	Certificate in Corporate Governance   Module 1: Corporate Governance	Barbados
September 30	Education	Certificate in Corporate Governance   Module 1: Corporate Governance	Trinidad & Tobago
September 30	Membership Engagement	Corporate Governance Mixer   Corporate Governance and Tax Avoidance	Trinidad & Tobago
October 10	Education	Certificate in Corporate Governance Examination	Trinidad & Tobago
October 31	Membership Engagement	Corporate Governance Mixer   Networking over Wine and Cheese	Barbados
October 31 - November 1	Education	Certificate in Corporate Governance   Module 2: The Board	Barbados
November 3-4	Education	Certificate in Corporate Governance   Module 2: The Board	Trinidad & Tobago

## Membership

The Institute began welcoming members in 2014. The year ended with a total of ninety (91) members. Thirty Three Percent (33%) of these members joined as individual members and sixty seven (67%) joined the Institute under the ambit of Organisational Membership. At the end of 2016, the Institute's membership base of the Institute stood at One Hundred and Sixty Three Members (163).

This profile included individual members and organisational members from the Caribbean. A total of Forty Two (42) new members joined the governance community in 2016.

Our organisational members include:



*Be Part  
of The Corporate  
**Governance  
Movement!***

*Sign Up For Organizational Membership Today*

## Human Capital

### Launch of our Internship Programme

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Good corporate governance relies not only a solid framework but also on the values of team members that contribute to an organisation's culture and ethical landscape.

Although the Institute is in its formative years, contributing to the work ethic of our youth is critical.

It was a pleasure to launch the Institute's internship programme in 2016 where Ms. Claudia Atteih had the opportunity to intern at the Institute. Ms. Claudia Atteih graduated from St. Joseph's Convent in 2015 with a focus in sciences and pure mathematics. Claudia was also a prize winner having received an Award of Excellence in Form Five, based on her performance in her external examinations.

Claudia's talent and motivated approach to her studies were formative in shaping her approach to her internship. Claudia worked diligently at enhancing the database of the Institute and assisted with the Annual General Meeting of the Institute along with the State Owned Enterprises RoundTable which was held at the Embassy of the United States of America.

The Institute looks forward to continuing this initiative in 2017 to offer another internship opportunity to a student that has performed exceptionally with their secondary school studies.



*Ms. Claudia Atteih.*

## Membership Engagement & Events

### A way forward for State Owned Enterprises

The operations and performance of State Owned Enterprises (“SOEs”) have an impact on government finances, the everyday life of citizens within Trinidad & Tobago and on the competitiveness of the rest of the economy. Directors and Officers of these entities have a significant influence on the performance of these enterprises.

The Institute was pleased to host its first State Owned Enterprises (“SOEs”) roundtable due to the kind patronage of the Embassy of the United States of America. Attendees included a wide cross section of parties from State Owned Enterprises who were able to share their views on corporate governance.

The Institute also hosted its first State Owned Enterprises Forum entitled “How Can SOEs Make A Difference? – A Way Forward For SOEs Through Better Governance”. The event was part of its Building Better Leaders series that was held on June 30, 2016.

The feature address was delivered by Mr. Richard Frederick, a global SOEs governance expert. Mr. Frederick is a contributor to the OECD Guidelines on the Governance of State-owned Enterprises that is the only international standard on SOEs governance. Attendees included members of the Institute, directors and senior executives from the energy sector, banking, sport, infrastructure and the maritime industry.



*Mr. Richard Frederick delivers a well-received key note address.*



*Dr. Wanda DeLandro-Clarke of National Quarries Company Limited captivated the audience that included Mrs. Clarie Gomez-Miller, Director of UNIPET.*



*Newly appointed Chairman of Institute Mr. Ronnie Bissessar, Mrs. Fe Lopez-Collymore, General Counsel of the Guardian Group and Director of the CCGI and Mrs. Karen-Kelshall-Lee of the Guardian Group look on.*



*Members of the Institute, Mr. David Millette Corporate Secretary of the National Insurance Board of Trinidad and Tobago and Mrs. Lauren Sandiford share a light moment.*



*Mr. Nigel Romano Chairman of National Flour Mills and Director of the Institute shares his viewpoint with attendees .*



*Mrs. Sharon Christopher former, Deputy CEO Operations and Administration of First Citizens Bank shares her perspective with attendees.*

The event was proudly Sponsored by:



## Hosting of Professor Shazad Ansari Mphil, PhD (University Of Cambridge)

The Institute warmly welcomed Professor Shazad Ansari who led Module One of the Certificate in Corporate Governance in Trinidad and Barbados in September, 2016.

Professor Ansari is the current Professor of Strategy & Innovation at Cambridge Judge Business School, University of Cambridge. He is also a Professorial Fellow of St Edmund's College.

He has contributed to executive education programs in many organisations, including McKinsey, Airbus, Shell, British Telecom, China Development Bank, Nokia, Laing O'Rourke, UNICEF, Essex County Council, City & Guilds, Shanghai University of Finance and Education among several others.

He is frequently invited to speak on issues related to strategy, innovation and social change. Professor Ansari is a member of the Cambridge Corporate Governance Network (CCGN).

Professor Ansari's research interests include technological and management innovations, value creation and new market development, offshoring and outsourcing, reputation management, and bottom-of-the-pyramid strategies. He has published in several leading academic journals including Academy of Management Journal, Academy of Management Review, Strategic Management Journal and Industrial and Corporate Change, Journal of Management Inquiry and Organization Studies.



*Professor Ansari with Ajmal Nazir, Director of Strategy at Green Dot, Mr. Leonard Birmingham, non-executive Director of the Virgin Group Holdings Limited and Mr. Eric Redhead, Senior Investment Analyst at Murphy Clarke, Financial Limited at a Meeting of the Minds Mixer.*

## A Meeting of the Minds

Professor Ansari was also the feature speaker of the Institute's membership mixer that was hosted on September 30, 2016 at the Courtyard by Marriott, Port of Spain. The discussion at the mixer centred on Corporate Governance and Tax Avoidance and the decision by the European Union after a three-year investigation to hit Apple with a record-breaking tax bill of €13 billion (US\$14.5 billion) plus interest.

The decision made by the European Commission's competition department was hugely controversial resulting in Ireland having to recover the taxes from Apple for the years 2003 to 2014.

The event was proudly sponsored by



## Wine and cheese in Barbados

The Chairman of the Institute Mr. Ronnie Bissessar hosted members and specially invited guests for wine and cheese on Monday 31 October, 2016. The mixer was hosted at the Courtyard by Marriott, Hastings, Barbados. The event was co-hosted by Mr. Marlon Yarde, Managing Director of the Barbados Stock Exchange and Director of the Institute and Denise Deonarine, Chief Executive Officer of the Institute.

The mixer allowed attendees with an interest in governance to network and share their views on how corporate governance can progress even further in Barbados.



*Mr. Marlon Yarde, Managing Director of the Barbados Stock Exchange and Director of the Institute chats with Ms. Lee-Ann Bradshaw and Mrs. Lorna Shepherd.*



*Participants were gifted with a small token of our appreciation.*



*Chairman of the Institute, Mr. Ronnie Bissessar, chats with Mr. Ron Davis, Managing Director of Globe Finance Inc., Mr. Richard Mark, attorney at law and Mr. Anthony King, Director at Massy Holdings.*

## Third Annual General Meeting

The Institute hosted its third annual meeting on June 30, 2016 at the Courtyard by Marriott. We were extremely grateful for the event sponsorship which was provided by Kee Chanona Limited and Republic Bank Limited.

Our members had the opportunity to win a gourmet gift basket courtesy Kee-Chanona. The lucky winner was Mr. Kyle Rudden of KR Consulting Limited. The Institute's external auditors were in attendance to present the Independent Auditor's Report to the membership.

The Institute commemorated the contribution of former chairman of the Institute, Dr. Axel Kravatzky with a commemorative plaque on behalf of the board and our members. At the meeting, Mr. Nigel Romano and Mrs. Rani Lakhan-Narace were appointed as new directors to fill vacancies on the board that arose by the rotation of directors pursuant to the Institute's Bye-Laws.



*Mrs. Jacqueline Quamina, Mr. Leslie Clarke, Mr. Ronnie Bissessar, Mrs. Karen Kelshall-Lee, Mrs. Rani Lakhan-Narace and Mrs. Fé Lopez-Collymore.*



*The lucky winner Mr. Kyle Rudden of KR Consulting is presented with a hamper by Mrs. Alexandria Davis, Strategic Business Coordinator of Kee-Chanona Limited.*



*Newly appointed Chairman of the Institute, Mr. Ronnie Bissessar, presents Dr. Axel Kravatzky with a token of appreciation.*

## Professional Development

The Certificate and Diploma in Corporate Governance was a key area of focus for the Institute in 2016. All four modules of the Certificate in Corporate Governance were offered in both Trinidad and Barbados in 2016. The Diploma in Corporate Governance was launched in 2016. Attendees had the opportunity to interact with global experts in the field of corporate governance while networking with peers from a wide cross section of industries due to the group work that is incorporated in each module.

The Institute had the pleasure of celebrating the graduation of its first cohort which successfully achieved the Certificate in Corporate Governance. The Certificate recognises the value senior management and executives bring to their boardroom.

The graduation was held on February 23, 2016 at the Courtyard by Marriott, Port of Spain.



*Recent Graduates of the Certificate in Corporate Governance that include Mrs. Rani Lakhan-Narace Executive Chairman of TRINRE, Mrs. Geeta Sahatoo, Ms. Simone Nicome and Mr. Glenwood Thomas.*



*Attendees of Module 2 - Trinidad with facilitator Alison Dillon Kibirige.*



*Attendees of Module 2- Barbados with facilitator Alison Dillon Kibirige.*

The background features a close-up of a calculator with several buttons visible, including a plus sign, a minus sign, and a multiplication sign. A silver pen is positioned diagonally across the scene. In the background, there are blurred financial statements with various numerical values and text. The text 'audited financial statements' is overlaid in the center in a clean, sans-serif font. The word 'statements' is in a larger, bold font compared to 'audited financial'.

audited financial  
**statements**

**Audited Financial Statements**  
(Expressed in Trinidad and Tobago Dollars)

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**December 31, 2016**

**Audited Financial Statements**

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The Members  
Caribbean Corporate Governance Institute  
#14 Alcazar Street  
PORT-OF-SPAIN

## **INDEPENDENT AUDITORS' REPORT**

### **Opinion**

We have audited the financial statements of Caribbean Corporate Governance Institute, which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income, statement of changes in equity 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 Company as at December 31, 2016, and 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 IFRS 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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PORT-OF-SPAIN

### **INDEPENDENT AUDITORS' REPORT – (Continued)**

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

#### **Auditors' 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.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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**INDEPENDENT AUDITORS' REPORT – (Continued)**

**Auditors' Responsibilities for the Audit of the Financial Statements – (Continued)**

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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 Company to cease to continue as a going concern.

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.



September 4, 2017  
PORT-OF-SPAIN

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**STATEMENT OF FINANCIAL POSITION**

(Expressed in Trinidad and Tobago Dollars)

		As at December 31	
		2016	2015
<b>ASSETS</b>	Notes		
<b>CURRENT ASSETS</b>			
Cash in hand and at bank	C	\$ 61,841	\$ 166,568
Accounts receivable		10,805	90,528
Other receivables and prepayments		11,099	39,272
<b>TOTAL CURRENT ASSETS</b>		<u>83,745</u>	<u>296,368</u>
<b>NON-CURRENT ASSET</b>			
Plant and equipment	D	15,958	4,172
<b>TOTAL NON-CURRENT ASSETS</b>		<u>15,958</u>	<u>4,172</u>
<b>TOTAL ASSETS</b>		<u>\$ 99,703</u>	<u>\$ 300,540</u>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		\$ 6,581	\$ 162,585
Accruals and other payables		45,848	21,465
Deferred income	E	-	28,275
Due to Directors	F	36,600	11,000
Due to related party	F	-	4,681
Taxation payable		4,332	3,619
<b>TOTAL CURRENT LIABILITIES</b>		<u>93,361</u>	<u>231,625</u>
<b>NON-CURRENT LIABILITIES</b>			
Due to Directors	F	-	25,600
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>25,600</u>
<b>FUND BALANCE</b>			
Accumulated surplus		6,342	43,315
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 99,703</u>	<u>\$ 300,540</u>

These financial statements were approved and authorised for issue by the Board of Directors on August 21, 2017 and signed on its behalf by:

Director  Jacqueline Quamina

Director  Leslie Clarke

The accompanying notes to the accounts, on pages 9 to 18 form an integral part of these financial statements.

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**STATEMENT OF COMPREHENSIVE INCOME**

(Expressed in Trinidad and Tobago Dollars)

		Year Ended December 31, 2016	Year Ended December 31, 2015
	Notes		
<b>INCOME</b>			
Sponsorship grants	G	\$ 117,391	\$ 57,724
Membership fees		236,261	181,198
Seminars and other income	H	1,213,757	1,296,600
		<u>1,567,409</u>	<u>1,535,522</u>
Events costs	I	(770,412)	(801,152)
		<u>796,997</u>	<u>734,370</u>
	<b>GROSS SURPLUS</b>		
<b>LESS: EXPENSES</b>			
Administrative and general expenses		729,415	718,098
Bank charges		30,724	18,350
Depreciation		2,391	1,975
		<u>762,530</u>	<u>738,423</u>
Other income/(loss)		(291)	24,349
		34,176	20,296
	<b>OPERATING SURPLUS BEFORE TAXATION</b>		
Taxation	K	(26,258)	(8,164)
		<u>7,918</u>	<u>12,132</u>
	<b>NET SURPLUS</b>	<u>\$ 7,918</u>	<u>\$ 12,132</u>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**STATEMENT OF CHANGES IN FUND BALANCES**

(Expressed in Trinidad and Tobago Dollars)

	<u>Accumulated Surplus/ (Accumulated Deficit)</u>
<b>Year ended December 31, 2016</b>	
Balance at beginning of year	\$ 43,315
Prior year adjustment	(44,891)
Net surplus	<u>7,918</u>
Balance at end of year	<u>\$ 6,342</u>
<b>Year ended December 31, 2015</b>	
Balance at beginning of year	\$ 35,941
Prior year adjustment	(4,758)
Net surplus	<u>12,132</u>
Balance at end of period	<u>\$ 43,315</u>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**STATEMENT OF CASH FLOWS**

(Expressed in Trinidad and Tobago Dollars)

	Year Ended December 31, 2016	Year Ended December 31, 2015
	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Net surplus before taxation	\$ 34,176	\$ 20,296
Prior year adjustment	(44,891)	(4,758)
Adjustment of reconcile net surplus to net cash provided by operating activities:		
Depreciation	2,391	1,975
Changes to operating assets and liabilities:		
(Increase)/decrease in accounts receivables	79,723	(56,262)
(Increase)/decrease in other receivables and prepayments	28,173	(26,550)
Increase/(decrease) in accruals and other payables	24,383	(37,560)
Increase/(decrease) in trade payables	(156,004)	145,925
Increase/(decrease) in deferred income	(28,275)	2,551
Decrease in due to related party	(4,681)	(5,702)
Taxation paid	(25,545)	(19,870)
	<u>          </u>	<u>          </u>
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>	<b>(90,550)</b>	<b>20,045</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(14,177)	(1,265)
	<u>          </u>	<u>          </u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(14,177)</b>	<b>(1,265)</b>
	<u>          </u>	<u>          </u>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>(104,727)</b>	<b>18,780</b>
	<u>          </u>	<u>          </u>
Cash and cash equivalents at beginning of period	166,568	147,788
	<u>          </u>	<u>          </u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 61,841</b>	<b>\$ 166,568</b>
	<u>          </u>	<u>          </u>
<b>Represented by:</b>		
Cash in hand and at bank	61,841	166,568
	<u>          </u>	<u>          </u>
	<b>\$ 61,841</b>	<b>\$ 166,568</b>
	<u>          </u>	<u>          </u>

The accompanying notes to the accounts, on pages 8 to 17 form an integral part of these financial statements.

## **CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

### **NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

**December 31, 2016**

#### **NOTE A – INCORPORATION AND PRINCIPAL ACTIVITY**

Caribbean Corporate Governance Institute is a limited liability company incorporated as a non-profit organization on July 26, 2012 and domiciled in the Republic of Trinidad and Tobago. The address of its registered office is #14 Alcazar Street, Port-of-Spain. The principal activity of the company is advancing corporate governance practice across the Caribbean.

#### **NOTE B – SIGNIFICANT ACCOUNTING POLICIES**

- (i) **Basis of Preparation** – These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities issued by the International Accounting Standards Board. They are prepared on the historical cost basis and presented in Trinidad and Tobago dollars.

The preparation of financial statements in conformity with International Financial Reporting Standards for Small and Medium-Sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

- (ii) **Cash and Cash Equivalents** – Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.
- (iii) **Accounts Receivable** – Accounts receivable includes membership fees and amounts due from sponsors. At the end of each reporting period the carrying amounts of accounts and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised in the income statement.

## **CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

### **NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

**December 31, 2016**

#### **NOTE B – SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

- (iv) **Accounts Payable** – Accounts payable are obligations on the basis of normal credit terms and do not bear interest. Accounts payable denominated in a foreign currency are translated into Trinidad and Tobago dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.
- (v) **Revenue Recognition** – Membership fees are recognised when the application for Membership has been approved by the CCGI Membership Committee. All other revenue including events and sponsorship is recognised on an accrual basis.
- (vi) **Foreign Currency** – Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; 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 income statement. Such balances are translated at year-end exchange rates.
- (vii) **Taxation** – Taxation is provided for using the liability approach for corporation taxes. Under this method, deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. 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 profit 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. There were no material temporary differences requiring a deferred tax adjustment. 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 the statement of comprehensive income.

#### **NOTE C – CASH AND RESTRICTED CASH**

As at December 31, 2016, the Caribbean Corporate Governance Institute held restricted funds of \$35,951(2015 - \$34,849) designated for use against expenses related to the Trinidad and Tobago Corporate Governance Code. The source of these restricted funds came from Code sponsorship, sales of the Code booklets and Code Seminars.

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

**December 31, 2016**

**NOTE C – CASH AND RESTRICTED CASH – (Continued)**

Use of these restricted funds is guided by a Memorandum of Understanding, which was signed on 7<sup>th</sup> November 2014 among the three partners of the Code: the Trinidad & Tobago Chamber of Industry & Commerce, the Trinidad & Tobago Stock Exchange and the Caribbean Corporate Governance Institute.

	<u>2016</u>	<u>2015</u>
Restricted funds	\$ 35,951	\$ 34,849
Unrestricted funds	25,890	131,719
	<u>\$ 61,841</u>	<u>\$ 166,568</u>

**NOTE D – PLANT AND EQUIPMENT**

	<u>Computer Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Total 2016</u>	<u>Total 2015</u>
<b>Cost</b>				
At beginning of year	\$ 4,535	\$ 2,335	\$ 6,870	\$ 5,605
Additions	-	14,175	14,175	1,265
At end of year	<u>\$ 4,535</u>	<u>\$ 16,510</u>	<u>\$ 21,045</u>	<u>\$ 6,870</u>
<b>Accumulated Depreciation</b>				
At beginning of year	\$ 1,993	\$ 705	\$ 2,698	\$ 723
Current year charge	1,512	877	2,389	1,975
At end of year	<u>\$ 3,505</u>	<u>\$ 1,582</u>	<u>\$ 5,087</u>	<u>\$ 2,698</u>
<b>Net Book Value</b>	<u>\$ 1,030</u>	<u>\$ 14,928</u>	<u>\$ 15,958</u>	<u>\$ 4,172</u>

# CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Trinidad and Tobago Dollars)

December 31, 2016

### NOTE E – DEFERRED INCOME

	Year ended December 31, 2016	Year ended December 31, 2015
Balance at beginning of year	\$ 28,275	\$ 25,724
Less: Cost incurred		
Event costs – Trinidad and Tobago Code	(28,275)	(25,724)
Deferred membership income	-	28,275
	<u>          </u>	<u>          </u>
<b>DEFERRED INCOME</b>	<b>\$ <u>          </u></b>	<b>\$ <u>28,275</u></b>

### NOTE F – DUE TO DIRECTORS AND RELATED PARTY

	Year ended December 31, 2016	Year ended December 31, 2015
<b>Due to Directors</b>		
Leslie Clarke	\$ 13,000	\$ 13,000
Axel Kravatzky	-	11,800
Annette Rahael	-	11,800
Nigel Romano	10,600	-
Ronnie Bissessar	13,000	-
	<u>          </u>	<u>          </u>
	<b>\$ <u>36,600</u></b>	<b>\$ <u>36,600</u></b>

At the Board of Directors' meeting held on October 3, 2012, it was resolved that each Director would contribute \$8,000 towards the start-up expenses of the Caribbean Corporate Governance Institute.

In 2013, an additional sum of \$5,000 was introduced by each director for cash flow purposes.

As at June 30, 2016, Axel Kravatzky ceased to hold office as a Director. Ronnie Bissessar and Nigel Romano were reappointed as Directors.

As of December 31, 2016, total amount owing to Directors is \$36,600.

# CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Trinidad and Tobago Dollars)

December 31, 2016

### NOTE F – DUE TO DIRECTORS AND RELATED PARTY – (Continued)

#### Due to related party

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 and operating decisions. Related party balances and transactions that arose in the ordinary course of business and from short-term cash advances are accordingly recognised.

These balances are unsecured and bear no fixed terms of repayment. The amount carried in these financial statements as due to related party relates to start up costs provided by Syntegra Change Architects Limited.

	<u>2016</u>		<u>2015</u>
Syntegra Change Architects Limited	\$ -	\$	4,681

As at December 31, 2016 Syntegra is no longer a related party as Axel Kravatsky is no longer a Director of Caribbean Corporate Governance Institute.

### NOTE G – GRANTS AND SPONSORSHIP

	Year ended December 31, <u>2016</u>		Year ended December 31, <u>2015</u>
Sponsorship grants were received as follows:			
TRINRE	\$ -	\$	10,000
Ernst and Young	5,000		6,000
First Citizens Bank Limited	15,000		-
KPMG	-		10,000
JMMB Bank (T&T) Limited (formerly IBL Bank Limited)	-		6,000
Republic Bank Limited	6,000		-
The Beacon Insurance Group	7,500		-
United States Embassy	62,891		-
Telecommunication Service of Trinidad and Tobago	10,000		-
Kee-Chanona Limited	6,000		-
National Quarries Company Limited	5,000		-
	<u>\$ 117,391</u>	\$	<u>32,000</u>

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

**December 31, 2016**

**NOTE G – GRANTS AND SPONSORSHIP – (Continued)**

	Year ended December 31, <u>2016</u>	Year ended December 31, <u>2015</u>
Total grants received	\$ 117,391	\$ 32,000
Add: Opening unused restricted grants	-	25,724
	<u>\$ 117,391</u>	<u>\$ 57,724</u>

**NOTE H – SEMINARS AND OTHER INCOME**

Consultancy	\$ -	\$ 33,000
TTCODE	-	8,100
Programs and seminars	1,160,947	1,178,650
Sale of books	-	76,850
Non-Educational events	52,810	-
	<u>\$ 1,213,757</u>	<u>\$ 1,296,600</u>

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

**December 31, 2016**

**NOTE I – EVENT COSTS**

	Year ended December 31, <u>2016</u>	Year ended December 31, <u>2015</u>
Online registration	\$ -	\$ 6,500
Food	-	146,106
Materials	32,174	23,400
Venue cost	212,199	37,086
Equipment cost	-	16,645
Transport	4,894	376
Accommodation	125,399	63,890
Event management	-	20,072
Facilitator fees	110,428	315,733
Marketing and promotion	20,285	11,513
Travel and entertaining	1,925	141,626
Printing	-	2,929
Other	-	15,276
Non-educational event	17,171	-
Foreign travel	169,373	-
State owned enterprises forum	76,564	-
	<u>\$ 770,412</u>	<u>\$ 801,152</u>

**NOTE J – STAFF COSTS**

The follow expenses have been included in administrative and general expenses in determining net surplus before taxation.

	Year ended December 31, <u>2016</u>	Year ended December 31, <u>2015</u>
Salaries	\$ 300,713	\$ 221,432
National insurance	17,150	7,927
	<u>\$ 317,863</u>	<u>\$ 229,359</u>
Number of persons employed	2	1

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

**December 31, 2016**

**NOTE K – TAXATION**

	Year ended December 31, <u>2016</u>	Year ended December 31, <u>2015</u>
Corporation tax expense	\$ 9,404	\$ 6,830
Green fund levy expense	4,702	1,567
Under/over accrual	12,152	(233)
Taxation expense	<u>\$ 26,258</u>	<u>\$ 8,164</u>
<b>Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:</b>		
Net surplus before taxation	<u>\$ 34,176</u>	<u>\$ 20,296</u>
Tax at the rate of 25%	8,544	5,074
Tax effect of income not chargeable and expenses that are not deductible in determining taxable profits	(327)	1,756
Green fund levy	4,702	1,567
Under/over accrual	12,152	(233)
Other	1,187	-
Current year taxation expense	<u>\$ 26,258</u>	<u>\$ 8,164</u>

No provision was made for deferred taxation.

## CARIBBEAN CORPORATE GOVERNANCE INSTITUTE

### NOTES TO FINANCIAL STATEMENTS

(Expressed in Trinidad and Tobago Dollars)

December 31, 2016

#### NOTE L – REVENUES AND MEMBERSHIP

The Caribbean Corporate Governance Institute began accepting members starting January 2013. As of December 31, 2016 the Institute had a total of 128 (2015 - 128) approved members from five different Caribbean states. Gross revenue related to Membership fees in 2016 was \$236,261(2015 - \$181,198).

Sponsorship and event income is recognised on a cash receipt basis.

#### NOTE M – COMMITMENTS UNDER OPERATING LEASES

The Institute occupied office space and parking facilities under an operating lease. The lease is for part of a building located at #14 Alcazar Street, Port-of-Spain. This agreement was made with Murphy Clarke Financial Limited for twenty-four months and the monthly rent is \$4,200. This agreement was effective from November, 2014. This lease was not renewed.

A new lease was entered into with Mentor IMC (USA) Incorporated located at Columbus Circle, Westmoorings Trinidad, 1<sup>st</sup> floor, The Trinidad and Tobago Chamber of Industry and Commerce Building.

This agreement was effective from December 1<sup>st</sup> 2016 for a period of 22 months ending September 30<sup>th</sup> 2018, the monthly rent is \$6,581.

	<u>2016</u>	<u>2015</u>
Minimum lease payments under operating leases recognised as an expense during the period	\$ 52,781	\$ 50,400

	<u>2016</u>	<u>2015</u>
At the end of the period, the company has outstanding commitments under non-cancellable operating leases that fall due as follows:		
Within one year	\$ 78,972	\$ 42,000
Later than one year but within five years	59,229	-
	<u>\$ 138,201</u>	<u>\$ 42,000</u>

**CARIBBEAN CORPORATE GOVERNANCE INSTITUTE**

**NOTES TO FINANCIAL STATEMENTS**

(Expressed in Trinidad and Tobago Dollars)

**December 31, 2016**

**NOTE N – FINANCIAL INSTRUMENTS**

A financial instrument is a contract that gives rise to a financial asset of one entity and a liability or equity instrument of another entity.

(i) **Credit Risk**

The company has no significant concentration of credit risk.

(ii) **Fair Values**

The carrying amounts of short-term financial assets and liabilities comprising cash in hand and at bank, accounts receivable, other receivables and prepayments, accounts payable and accruals and other payables are a reasonable estimate of their par values because of the short maturity of these instruments.